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WE had in mind to tell you something of our plans for the future, of how we see the *Journal* developing to meet current needs. But our printing and paper difficulties are not yet over. We had hoped that the present issue would have been published last December as the fourth issue of 1946; instead of which delays have brought it well into 1947. Nevertheless we would still like to say a word about our policy whilst trying to avoid the error into which some P.R.O.s fall of gaining an immediate cheer by the promise of some future improvement in this or that.

The Journal caters for a very wide audience-civil servants in Whitehall departments and in remote regional offices; local government officers of small and large authorities, concerned with finance, law, hospitals, trading undertakings and all the wide range of the modern social services; the corresponding central and local officers in the Dominion Groups; and the many American and foreign subscribers. Here is both a problem and an opportunity. There is no one service or function upon which to concentrate; to do so would be to please a small section of our readers but might antagonise the remainder. Indeed, we doubt whether such a policy would please anybody, for there is usually an excellent periodical covering each of the specialised aspects of Government services with which it would be futile for us to attempt to compete. Our approach must therefore be wider; we must mainly concern ourselves with those aspects fundamental to all services and functions—problems of organisation and management, of recruitment and personnel policy generally, of financial control—in other words of the subjects covered by a reasonable interpretation of the phrase "public administration." We would not exclude articles on recent developments in particular services, for these may be a method whereby officials more easily keep in touch with what is happening in services other than their own. But broadly speaking we conceive the *Journal* as being devoted to the administrative problems common to all branches of Government activity.

Perhaps we ought to amplify this last sentence in three ways. First, though the emphasis may be different the problems we have in mind are common to all countries. "The rich experience of British administrative genius," to use the words of Professor Friedrich, has been of value to many countries. And there are many things which this country could learn from watching the experiments in the Dominions and other parts of the world. Second, the gap between government and business administration is not so wide as one would infer from the present comparative lack of contact between the practitioners and institutions in these two fields. Certainly, so far as this country is concerned, any gap which may have existed is much less now there is such a large amount of Government intervention in fields formerly wholly given over to private business. Third, we would not interpret the word "administrative" so as to exclude consideration of such political aspects as Parliamentary control and that side of the machinery of State which is concerned with what is sometimes called "the voice of the people."

All this means that the *Journal* has a wide field to cover. When we are assured of adequate supplies of paper and of printing labour we would like to sketch out the field in greater detail. For the moment we will content ourselves with making one important point. The *Journal* is not like a commercial daily or periodical; it has no full-time editorial staff searching for news and ready to write up topics of importance. It gathers its articles and materials in two main

1

ways-either the Editor approaches someone to write an article on a stated subject, or articles are sent in by members of the Institute or other people on the chance that space will be available for their publication. The first method is largely within our control; it is the second method of which we need to say something. Let us start by taking one example. Seldom a week passes without some Department or local authority doing something which is of general interest to those concerned with public administration; it may be a redistribution of the Department's functions between different divisions or changes in the Committee structure of a local authority or something less spectacular. There will usually be some reason for this move—the previous distribution may have been found faulty-but whether or no there is a clear reason, one may appear from a later study of a number of such occurrences. Yet such events are seldom publicly recorded; and so the official with a similar problem and the student searching for general principles are robbed of valuable data. The slow accumulation of apparently isolated facts has been an essential feature of the vast progress made in the field of the natural sciences, and public administration must make use of the same method. This is just where members of the Institute can helpindeed without your active help the job cannot be done. When an important development occurs in your Department record it as a first-class reporter would do, objectively, concisely, and with an eye on the significant facts-500-800 words is all that is required in most cases—and send the report to the Editor of the Journal. With your support we will build up a new section of the Journal devoted to contemporary developments in the administration of all branches of the public services. It is your job; you are the people with the inside information—we can only pray for an increase in the paper ration.

Our Contributors

Contributors to this issue include Mr. Herbert Morrison, Lord President of the Council, whom we are proud to have had as a member of the Institute for very many years. Major R. H. Thornton was at Balliol, then after a period on the General Staff during the 1914-1918 War, became a member of the firm of Alfred Holt & Co., the Liverpool shipowners, in 1919, member of the Mersey Docks and Harbour Board in 1941 and of the British Overseas Airways Corporation in January 1946. Mr. T. S. Chegwidden entered the Ministry of Labour in 1919, after being at Worcester College, Oxford, and spending a period in the Army; then after a spell at the Ministry of Production during the war he became associated with the Imperial Staff College. He is the joint author of a standard work on the Employment Exchange Service. Mr. V. D. Lipman is a product of Magdalen College, Oxford, and is at present engaged on a study of the Area Problem in English Local Government for submission for the D.Ph. degree. The Hon. Edwin Samuel, another Balliol man, has held various administrative posts in the Palestine Government and is now a member of the Palestine Broadcasting Corporation. Mr. Herbert R. Balls, whose essay was highly commended by the Haldane Essay Prize Judges, is a Canadian civil servant.

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Economic Planning

By the Right Hon. HERBERT MORRISON, M.P., Lord President of the Council¹

WE talk a good deal in these days about planning, but planning is a very large and complicated business, and Britain is the first great nation to attempt to combine large-scale economic and social planning with a full measure of individual rights and liberties. So far we are still at the experimental stage—indeed planning must never be rigid—but I will try to give you some idea how this experiment is shaping.

I will first try to outline what is meant by planning as we in Britain understand it. Then I will review the machinery and methods of planning, and finally I will say something about the current and future problems to which

planning must find the answer.

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PLANNING'S FIVE STAGES

Planning can be divided logically into five stages.

The first, without which none of the others can happen, is making up one's mind to plan and grasping what planning means.

The second is assembling the necessary facts and forecasts to make sure that the plan can be put on a sound practical basis.

The third stage is actually devising alternative plans and seeing what they each offer and what they each cost in terms of resources and disadvantages.

The fourth is the taking of decisions between alternative plans, including

the decision what is to be planned and what is to be left unplanned.

The fifth, and by far the most extensive stage, is carrying out the plans in practice. This includes explaining them, adjusting them and devising all the necessary ways and means of ensuring that what was planned on paper does in fact happen at the right times and in the right places and in the right way.

I suggest that the first and vital stage was when the British people made up

their minds to plan.

We sometimes need to remind ourselves that planning in the sense of deliberately using the main available national resources, in the endeavour to secure the good of the nation as a whole, is a very new thing. Until very recently the dominant idea was that it was unnecessary for the nation to know what its resources were and best not to attempt to control their use. That is still the view of a minority. Obviously while that view prevailed the necessary conditions for planning could not exist. Using a war-time parallel, the modern nation which is not prepared to plan is like a country which expects to win a war without mobilising for it.

Well, it is no less impossible to achieve social and economic well-being without planning and working for it. That really is obvious, and it is time the obvious was accepted, even by people who prefer abstract dogma to the facing of plain facts. Unemployment and destitution were, in the main, the products of letting things drift—the muddled outcome of muddle. All our machinery and methods of planning are based on the express willingness of Parliament and of very large numbers of citizens in all areas and activities, to support and participate in social and economic planning, and to censure Ministers and public authorities if they plan wrongly or fail to plan when they ought. And let not the individual citizen forget that he has his responsibilities in planning no less than Ministers.

¹ Address delivered to the Institute on 17th October, 1946.

ASSEMBLING THE FACTS

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Given the will to plan the next stage has been to ascertain and assemble. This process of fact finding is immensely complicated. In the past government has made the worst of both worlds by demanding a mass of information which was only useful for limited purposes and did not fit together. The need now is for facts and figures to give all concerned—not only government—a clear up-to-date picture of what is happening with the minimum of effort. Before planning decisions can be taken we have to know what millions of business men, farmers, workers and others are making or growing or distributing. Statisticians have to ascertain how many people there are in the country, where they are, where they live, how many of them are of working age, how many of them are employed, in what occupations and industries and grades and so forth. In the same way information has to be compiled on the amount of fuel and raw material used in industry and the value of the products made and sold, together with the resulting earnings and profit. For many purposes the survey must be widened out to cover not only Britain but the world background. All this information has to be available promptly and adequately, so that any changes can be picked out without delay. On this basis forecasts are prepared of what will happen to production, to incomes, to employment and so forth if current trends continue.

All this corresponds to the work of Intelligence in the Armed Forces. In the peace-time machinery these facts are collected by Government Departments, public boards, local authorities, trade associations, trade unions and many other bodies, and most of the key material is eventually funnelled into the Central Statistical Office, which is a part of the Cabinet Office, created during the war to produce a systematic picture of what is taking place. The outline of this picture, so far as it relates to the past, can be seen by anyone who takes the trouble to get a copy of the Monthly Digest of Statistics, compiled by the Central Statistical Office and published by the Stationery Office about the end of each month. Much more detailed material is of course given in the Board of Trade Journal, the Ministry of Labour Gazette and other well-known sources. The war-time "statistical blackout" is a thing of the past; indeed we can claim to be well launched on a campaign for statistical flood-lighting. I recommend these publications to you all, and to the careful study of the B.B.C. and of all news-

paper offices.

EXAMINING THE FACTS

Given the will to plan, and the necessary facts and forecasts, the process of planning in the strict sense can begin. This process consists of looking at the facts and forecasts and examining what are the possibilities of changing socially undesirable trends. So far we have been forced to concentrate so largely on pressing short-term problems that we have hardly begun to get the benefit of the scope which long-term planning will give for broad adjustments decided in advance.

As an example of short-range planning the forecasts of coal production may indicate—I do not say they do—that if the number of miners we expect to have produce the amount of coal we expect them to produce, there will not be enough coal to go round and factories will have to shut down and houses will have to go unheated. In such cases obviously the plan must not merely consist of rubber-stamping the forecast—either more men must be found or the output from the existing manpower must be stepped up, or means must be found of economising the use of coal.

In other cases forecasts may show that an industry is likely to export more or less of its product than is considered desirable, after weighing the need for more exports to pay for our imports, as against the urgent, natural and legitimate

desire of consumers for more British goods, of the most urgently wanted sorts, to be kept in our own shops instead of being sent overseas. Given that we have to export enough to earn a certain amount of foreign exchange, we may have the choice of earning more by exporting turbo-generators and keeping all the shirts we make at home, or alternatively of pushing exports of shirts and re-equipping our power stations with turbo-generators. The method we use here is for Departments representing all the main demands upon resources to put in their claims and see to what extent the claims conflict with one another. Where there is a direct conflict one or other claim has to give way.

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THE STAGE OF DECISION

Here we come on to the fourth stage, that of taking decisions. Just as in war the military planners would, on instructions from the Chiefs of Staff, submit proposals for invading various enemy-held territories and the Chiefs of Staff would then advise Governments what was the most promising objective to go for first in view of the manpower, shipping and equipment available, so in the economic and social field the staffs engaged on planning work out in consultation the various possibilities and try to point out the snags and advantages of each. On this basis Ministers decide on the strategy of the use of our national resources. For example, what size of Army, Navy and Air Force can we afford to or must we keep, what level must our exports reach and what claims must be cut down or postponed in order to keep the total demand on our resources within the limits of the resources available.

Here follows the most important and far-reaching stage of all, when Ministers, having made decisions for which they are prepared to take responsibility, come before Parliament and the nation and set in hand the task of carrying those decisions out.

EXECUTION OF THE PLAN

The carrying out of economic plans is a job not simply for Government agencies, but for the whole nation. By informing the public of the trend of the economic situation, by making known the Government policies as to the best allocation of available resources, by promoting discussion of these matters, and by revising estimates and forecasts from time to time, the Government can do much to shape the future course of economic affairs by ensuring that industry and agriculture shall be able to look further ahead with confidence and to form their expectations on explicit assumptions which can be tested and criticised, instead of on a vague hunch. Then the prospect of realising the Government's plans will be seen to depend on a number of factors such as the Chancellor's annual budget, his control of credit policy through the nationalised Bank of England and his control of investment policy through the Capital Issues Committee and other channels. The extent to which Government Departments and nationalised boards can speed up or retard development plans is another very important factor in resisting tendencies towards inflation on the one hand or trade recession on the other.

To give another example, the control of industrial location exercised by the President of the Board of Trade through the Distribution of Industry Act and through Town and Country Planning enables the Government to prevent industry from flocking to certain areas, with adverse social and economic effects, while masses of citizens in other areas are unemployed.

NATIONAL CO-OPERATION FOR PUBLIC WELL-BEING

But when full account has been taken of all the instruments at the disposal of Government the fulfilment or otherwise of the major part of economic plans

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is dependent on the actions of employers and workers generally. For that reason alone it would not be enough for the control by blind forces to be replaced by control by a few people sitting in Whitehall. Everyone must be encouraged and assisted to understand at least in outline the economic position of the nation, the aims of economic plans and the part which every citizen should play both in criticising those plans before they become operative and in carrying them through afterwards. In this way only can we ensure that we are developing a system of planning from the consumer end—and planning must be inspired from the consumer end if it is not to be bureaucratic and inefficient.

As we believe in a free society we must have the courage of our convictions and trust the people to achieve more by understanding and backing an agreed plan than other nations might achieve by carrying out under orders a plan dictated to them by their rulers. Do not let us be discouraged or confused by attempts to represent planning as the opposite of freedom. We in Britain stand for free planning and for planning as a means to fuller freedom. I am convinced

that we shall get it.

MACHINERY OF PLANNING

This brings me to the machinery and methods of planning. I obviously cannot deal with these here in detail, but I will try to summarise them as well as I can. The central piece of machinery to assist the Cabinet in planning is the Official Steering Committee representing the key economic Departments together with the Economic Section of the Cabinet Office, the Central Statistical Office and my own Office. This Steering Committee forms the central economic team responsible for gathering and assessing economic intelligence, preparing forecasts, framing economic plans, advising Ministers on the advantages and disadvantages of these plans, and keeping under review the execution of plans

when authorised and put into operation.

For this purpose the Steering Committee is assisted by a number of working parties. For instance, one makes estimates of the total manpower available and of the forward distribution of manpower on various assumptions. Another assesses the forward demand for expenditure in the investment field and devises means, in times like these, of holding back investment which is inessential or can be deferred, while at the same time ensuring that a reserve of non-urgent investment projects is built up for rapid execution as opportunity arises—for example, if and when tendencies towards trade recession and unemployment should become significant in the world. Another working party watches over our import needs and the methods of paying our way by visible and invisible exports. Material produced by these working parties is put together in the form of trial balance sheets of manpower, national income and expenditure, and overseas payments and receipts.

The balance sheet of manpower shows the available supply of manpower in comparison with the sum of all the various demands for manpower which would result from the current departmental programmes and policies in the various economic fields. Similarly, the national income and expenditure balance sheet shows, in pounds, shillings and pence, the value of the available national product, and, again in pounds, shillings and pence, the sum of the various demands which current departmental programmes and policies would make on that product.

TRIAL BALANCE SHEETS

These trial balance sheets naturally show a gap between demands and available resources. One of the greatest differences between planning and laisser faire, is that under laisser faire it is no one's business to forecast this gap which is left to close itself under the uncontrolled interplay of economic forces.

Whereas planning throws a spotlight on the gap and then arranges to close it in the way most advantageous to the national interest by measures taken by the Government or on Government initiative. The decisions relating to the closing of this gap are perhaps the most important immediate decisions which have to be made. For example, the manpower gap for 1946 had to be closed to a large extent by cuts in the Services and in industries working on their supplies.

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The manpower gap is of course not an isolated problem but an expression in terms of manpower of much the same gap which shows itself in the national income and expenditure balance sheet as an excess of the value of anticipated demands of all kinds over the value of the prospective national product. Therefore if we cut the number of men serving in or working for the Forces we automatically reduce the expenditure on these sectors and release manpower to expand civil production, thus narrowing the gap between demands and resources both in terms of manpower and of the value of the national product; but do not forget that the state of the world might make it vital to step up provision for the Forces, in which case the necessary economic adjustment would have to be made. Similarly, if we cut investment, say in public works construction, we automatically reduce the manpower demand as well as the money demand for resources in that sector, and thus help to close the manpower gap as well as the gap between the value of the available national product and the various demands which are programmed to be made upon that product.

The difficulties are often emphasised of planning effectively while sweeping away controls over labour and reducing or eliminating many of the war-time controls over industry. These difficulties are of course much more acute in a time like the present when we have inherited both from the war and pre-war periods serious maldistributions of manpower which could only be quickly corrected by more drastic measures than the citizen should be asked to tolerate in time of peace. As we get through the reconversion and transition stage the number and scale of these problems can be expected to diminish. Often, moreover, there are several alternative ways of achieving the desired result. There are well-tried instruments of government whose use can be adjusted to assist fulfilment of the plan. The art of government is to achieve the result by the most economical, efficient and acceptable means.

The Steering Committee having assembled its balance sheets, with a mass of supporting material in every field, reports to Ministers—for it is they who are responsible for policy—who study the economic tendencies and forecasts and take decisions on plans to be adopted. To a large extent the actual execution of these decisions is a matter for individual Ministers dealing with a particular branch of the economy, such as coal, building and housing, transport, or agriculture.

CONSULTATION WITH EMPLOYERS AND WORKERS

There are, however, some difficult and rather intangible problems which range over a wide field. For example, there is the problem of manning-up the under-manned industries, and of levels of wages in conditions of full employment. The Government is therefore developing machinery for tripartite contacts between itself, organised employers and organised workers through the National Joint Advisory Council, which is convened by the Minister of Labour and will serve as a standing national industrial conference on matters affecting manpower in industry. The Government is also arranging for widespread publicity on the objectives and problems of economic planning, and particularly the inescapable fact that all the collective and individual elements in the British standard of living ultimately depend on productivity. The more productivity increases the more prosperous the nation will be and, from a planning point of view, the fewer

difficult priority problems will arise and the more latitude can be left to the individual and to industry. No less is it true that if production falls or stagnates the cheques which the nation has already drawn on the future in the form of increased wages and salaries, reduced hours, increased social services and a higher school-leaving age, cannot be met. We need higher productivity even to make good our losses and to cover commitments already made. It will have to be higher still before additional commitments can safely be assumed.

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In the cock-eyed economy of the 'thirties people used to imagine that the great problem was how to abolish unemployment; in the clearer light of the middle of the century we know that even full employment will not be enough—we must also secure a greater output of goods and services all round if we are going to have a decent standard of life and fair shares for all, coupled with adequate incentives for effort.

I would put this problem of increased productivity first among the current economic problems to which planning must help to find the answer. I think there is an answer although this is not the place to elaborate it. A second problem which I look to planning to solve is the organised extension of our national vision several years further ahead than we have been accustomed to look. You really cannot run a complicated modern civilisation on a basis where the whole machine is crazily accelerated for a few months and then has to swerve violently or be braked almost to a standstill because some perfectly foreseeable snag or fluctuation has not been foreseen and tackled in time.

ESTIMATING AHEAD

We know approximately how many people there are going to be in this country at least five years ahead, and we can estimate within wider margins of error how many houses they are going to need at a given housing standard, how much clothing they are going to need as a decent minimum and how much food they are going to need if they are to be properly nourished. It would be foolish to suggest that we can forecast actual demand and supply, or to forget that knowing just what we don't know is itself a useful and important piece of knowledge.

On the other hand for some purposes useful decisions can be made on estimates which are known to be subject to a 30 or 50 per cent. variation in the out-turn, and in these cases it would be unjustifiable to refuse to make up our minds until we have everything worked out to two places of decimals. You may remember about the American officer before D-Day who could not restrain himself from telling a meeting, "Well, gentlemen, we may lose this war, but if we do we shall lose it statistically perfect!" Our job in winning the peace is to see that we make the figures tell us all they can as early as they can, and yet not to put more weight on each figure or forecast than it will bear.

How many people have considered just how much difference every improvement in forecasting and planning will make to business and to employment? Security of employment in modern business depends on successful forecasting of markets, profits depend very largely on increased turnover, which in turn depends on reduced costs, which in turn depend on the placing of large orders for long runs of standard products, instead of constantly chopping and changing with every economic breeze that blows.

I suggest to you that in a few years' time people looking back will be amazed to see how much was written about the restrictive and bureaucratic dangers of planning, and how little was understood about the part which planning could play in freeing employers and workers and farmers from the horrors of uncon-

ECONOMIC PLANNING

trolled and unforeseen fluctuations, which might bankrupt honest men in all directions and leave workers lining the streets with despair in their hearts.

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AVOIDING MASS UNEMPLOYMENT

Closely related to this problem of pushing the horizon further ahead of us and giving us more time and elbow room to work in, is the problem of maintaining a reserve of orders for industry and of work for the workers, to free the nation of fears of uncontrollable recession. At present, there is a considerable excess of demand over available resources and the machinery which we are building up for looking ahead to see how the total demands match with the total resources is at present used as a means for achieving a more rational pruning of the demands, all of which cannot be met in total. But when the present period of acute shortage is over, we may be threatened again with a general decline in the total demands for goods and services, which, if uncontrolled, would bring with it again the evils of depression and mass unemployment. The same technique of looking ahead at the total available resources and the total demands which are likely to be made upon them should enable us to foresee the threat of such a general decline in demand in sufficient time to take adequate steps to offset it, at least in great measure.

We should have, and we will have soon, a long list of projects—buildings, roads, railways, afforestation schemes, ports, airfields, industrial plants, national parks, public buildings, and so forth—all blue-printed and prepared, waiting for investment and manpower resources to be made available to carry them out. We are also preparing our plans for methods whereby the ordinary consumers' demand for goods and services can be stimulated in times when there is a general slackening off of demand and a consequent threat of unemployment.

It is the intention of the Government to ensure that, in times when our resources of men and capital would otherwise be idle or under-employed, a useful demand for their services is in fact found. The knowledge that there is a queue of deferred capital projects, and that there are devices at hand for maintaining or, if necessary, stimulating the ordinary citizen's demand for goods and services will, I think, have a marvellously heartening effect on industry. By failing to get future demands sorted out into definite projects and to take measures to maintain the general demand for goods and services, we have in the past imposed an enormous economic waste and an enormous burden of insecurity upon industry which can be removed.

A CONSTRUCTIVE AND PEACEFUL REVOLUTION

I have no time to give further examples of the problems in front of planning, and indeed many of them will be familiar to you. I would simply like to emphasise that planning as it is taking shape in this country under our eyes is something new and constructively revolutionary which will, I think, be regarded in times to come as a contribution to civilisation as vital and as distinctively British as parliamentary democracy and the rule of law. Some people dogmatise about planning and say that planning is this and planning prevents that; my own view is that planning informed by the British political sense, and the British resourcefulness will be something very different from what many of these writers and speakers have dreamed of. It will be something to which all of us can contribute and something from which we will all draw benefits.

After all, planning, though big and complicated, is not much more than applied common-sense.

Nationalisation

Administrative problems inherent in a State-owned enterprise

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By R. H. THORNTON

WHERE the tasks to be performed by a State-owned instrument can be discharged with a minimum of initiative, the economies of large-scale planning and wide standardisation may prove to be almost pure gain. The problems of State-owned undertakings arise substantially when it is proposed to engage in a type of commercial or industrial enterprise which needs the dynamic of personal character and direction.

- 2. Administratively, the public Corporation can be virtually identical with its commercial counterpart. The various departments are grouped under two, three or four Senior Executives, and these in turn are co-ordinated and controlled by a Chief Executive, usually called in commerce a General Manager or Managing Director. He is responsible to, and in the latter case a member of, the Directorate or Board, which is concerned primarily with policy and finance but, by virtue of its powers of appointing its Executives, accepts full responsibility for the success or failure of the venture.
- 3. The constitution of the Board of a State-owned undertaking has been discussed by Herbert Morrison in his "Socialisation and Transport" published in 1933. He distinguishes three alternatives,
 - 1. The Board of whole-time experts.
 - 2. The Board of part-time interested persons.
 - The Board of part-time disinterested persons, which he calls the "Corporate Board of Ability."

He selects the last as best.

No. 2, the "Board of interested persons" is well trounced by Morrison and indeed has little to commend it. It rests on a number of fallacies, such as "Workers' control," "Consumers' control," or an ill-digested conception of democratic perfection, which advocates control by a body representative of every institution, from Learned Societies to Housewives, which could conceivably claim any sort of interest in the activities of the proposed undertaking. The fatal defect of all such proposals is that they fail to ensure the two essential characteristics of any governing body, namely functional integrity and a corporate character and conscience.

No. 3, the part-time "Corporate Board of Ability" is selected by Morrison for just that reason, namely, that it is capable of becoming a corporate body, while, not being composed of "experts," it can comprise a variety of ability and judgment drawn from other fields of experience and enterprise. Those, however, who favour No. 1, the whole-time Board of Experts, attack Morrison's selection on the ground that it must inevitably be a dilettante body of part-time amateurs. It is no reply to this criticism to suggest making them whole-time instead of part-time amateurs. If they served whole-time, either they would not have enough work to do to justify that status, or they would in due course become "experts" themselves and the distinction between the two alternatives

would merely lapse. The Coal Board, if it be conceived (I do not know whether it is) as a Board of whole-time amateurs, however gifted and experienced in other fields, will be faced with just this dilemma.

The case for the part-time Board must clearly be argued on its merits, and these in turn must be looked for in the very fact that its members are neither whole-time nor experts. What should these merits be? First, the members of such a Board can become sufficiently intimate with the undertaking to understand the nature of its problems, both domestic and external, while retaining a judgment sufficiently independent to be wholesomely critical of the way their own Executive is handling them. In short, they cân see both the wood and the trees. Second, they can provide the Executive itself with a useful sounding board. New ideas can be tried out on the Board before being risked, at far greater cost, upon the public. Third, they can do, what only a body of laymen can ever do, namely, when the expert executives differ among themselves, decide which of them is to be regarded as right and which is wrong. For the idea that a team of experts is always both unanimous and right is one of those attractive ideas which experience unfortunately fails to confirm.

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Fourth, being part-time and independent, they can do, what no Board of experts could readily do, namely, resign. If, for example, a State-owned undertaking were being so hampered by Ministerial "shadowing" or so hamstrung by Treasury control, as to stifle all corporate enthusiasm and initiative, the resignation of the Board would bring the issue to a head without implicating the livelihood and careers of expert executives who, in the absence of such a Board, would clearly have to do the resigning themselves.

As against these merits, the presumed demerit of amateurishness, attributed to this type of Board, is really based on a misconception, and comes very ill from those who believe in infallible teams of experts. For the bogey of a team of first-class executives being frustrated by a Board of inept amateurs simply is not true to life. The experts, if unanimous, would make mincement of the amateurs. Frustration would be far more likely to be felt in the reverse direction.

The issue, therefore, seems to be this. Those who advocate a Board of experts really advocate no Board at all. They advocate a governing body of whole-time specialist civil servants—a perfectly tenable position. Those who advocate a part-time Board of disinterested persons, advocate a body which is advocate a performing certain functions, including that of a shock-absorber. If none of these functions are useful, there is no need for such a Board. And their usefulness can only be determined when it is known how much practical latitude the undertaking will be allowed to have both in framing its policy and in carrying it out. If this is to be closely restricted, whether by the formal powers of its parent Minister or by his personal interest and pressure, it is probable that the functions referred to will have little or no scope for their fulfilment.

4. Assuming the part-time "Board of Corporate Ability" to have been selected, the only variation in its constitution from that of its commercial counterpart commonly recommended is that it should have a highly paid whole-time Chairman. Such a man (pace Lord Reith) can hardly exist side by side with a Managing Director or Chief Executive. He will become the Chief Executive himself. His whole-time status renders this inevitable. It must clearly be his character and personality which will permeate the organisation. For the idea that the head figure of any vigorous, enterprising undertaking can remain a self-effacing round peg fitting conscientiously into a round hole of identical dimensions, is a fallacy. If it is derived from the admirable tradition of self-effacement found in the administration of the Civil Service, then it is derived from a tradition wholly inappropriate in this context.

The advantage of the whole-time Chairman should be that he can combine the confidence of an expert with the authority of a Chairman. Such a combination has value, both in respect of the public interest and criticism, to which a State-owned enterprise is subject, and in respect of the relations between the Corporation and its parent Minister. Such a man in short should never be the

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Minister's stooge.

The disadvantage of the whole-time expert Chairman is equally clear. It is simply that he can never really be a chairman, in the proper sense of taking the chair as primus inter pares. His authority, when combined with his superior day-to-day knowledge of the business, must tend rather to produce a Board subservient to himself. If the quality of the Board is such as to resist this tendency, then the advantage of the whole-time Chairman must be expected to outweigh the disadvantage. In this context the ideal size for the Board is that it should be small enough to become a genuine team, yet not so small as to be readily dominated by one man. The implied compromise indicates a figure of five to seven members. Even so, as already suggested, it will inevitably tend to be dominated by its Chairman to whatever extent the Minister himself elects in practice to influence the policy and activities of his Corporation. For it is clear that this influence will exert itself through the medium of the constant personal contacts arising between the Minister and the Chairman, while the Board, in loyalty to its Chairman, will normally have little option but to accept, whether palatable or not, the sort of personal compromises which will emerge.

- 5. Consumer representation needs formal status. It should take the form either of a "Consumers' Council," whose specific function is to criticise, or of an independent tribunal, which receives and examines consumer complaints and has privileged access to the Corporation's affairs, to enable it to discharge this duty with fairness and authority. But its findings must be no more than recommendations. Any suggestion that they should be binding is wrongheaded and intolerable. The consumer, who pays the piper, can certainly call the tune; but he has no right to teach the piper how to pipe. If the Tribunal knows better than the Corporation how its job should be done, then the sooner their respective members change places, the better.
- 6. But while consumer representation is capable of solution, the relationship of Parliament to its own child presents a fundamental problem. Parliament does in fact consist of persons who can fairly claim to represent both the customers of the Corporation and its shareholders. Of these two roles the latter is by far the more controversial in its implications. The right of questioning Ministers on the work of their Departments is fundamental to the health of Parliamentary democracy as practised by the British. It must not be weakened. But it is essentially a right to question the Minister in person upon what he personally, or his Department with his approval, has done. It is not, or should not be, the right to question him upon the daily doings of a self-contained Corporation, set up by Statute to carry on a business undertaking under his general guidance. If such a right is held to exist, then Parliament, through the medium of Question Time, becomes not merely a shareholders' meeting in permanent session, which is bad enough, but one conducted under conditions of legal "privilege," which is manifestly obnoxious.

Unfortunately, such precedents as emerge from the practical handling of the two important State-owned Corporations so far created, are wholly conflict-For while a fairly steady precedent has been created for refusing to discuss the internal management or even the general commercial policy of the B.B.C., the exact reverse has obtained in the case of the B.O.A.C. A study of Hansard shows a wide range of questions relating to its operating policy and its ine

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of ts daily administration which have been asked and answered, just as though the Minister were in fact the Managing Director of the business. We can easily sympathise with the active Member, who cherishes—and rightly so—his function of watchdog of every activity conducted on the taxpayer's behalf and with his money. What is more important, but not so easy, is to sympathise imaginatively with responsible executives, who find themselves sniped at in this privileged manner and are permitted only a vicarious reply.

And there can be no comparison whatever between their position and the similar position of the civil servant. He is the direct administrator of the actual laws which Parliament has passed. Everything he does is covered either by the explicit authority of a Statute or the departmental policy of his Minister. By the nature of his function he can be anonymous. He is bullet-proof. But men who undertake, albeit with State finance, to develop and organise a commercial enterprise, which demands creative ability and imagination and involves direct contact with the consuming public, are in a different category. Either they will not tolerate their anomalous position and there will be a restless series of changes in command or they will tolerate it, but their vigour, by constant frustration, will steadily dwindle and the initiative and character, which they may once have had, will be slowly and (what is far worse) imperceptibly emasculated. No one who knows the facts will deny that this is a real, not a fanciful, risk.

This dilemma is not just constitutional. As a practical issue, it remains unresolved in the public mind. There are those who say, "Find a good team, pay them a lot and tell them to get on with the job." But there are those who say, "Hand all our coal mines over to the unfettered control of nine men? Never!". None the less, the dilemma must be resolved and can only be resolved in one way, if State-owned enterprises are to be dynamic, vigorous and economically efficient. The nine men must, subject always to the criticism of their customers and to the ultimate sanction of their "shareholders," be in unfettered command of the undertaking.

7. The implication of this is that the Minister's relation to his Corporation should be primarily that of a shareholders' Trustee—a familiar enough position in commercial life. His attitude to Parliament would then be, "I have set this Corporation up with your money and you have been good enough to make me your Trustee, to satisfy myself on your behalf that it is well conducted and that your investment remains sound. I have established a direct relationship between it and its customers and, in addition, I shall give you once a year a detailed account of its affairs and enable you to judge its success or failure. But I will not accept or answer daily questions on its conduct of its business."

That is a reasonable and defensible standpoint. Any departure from it is a concession, not to principle, but to politics. It should not be made.

8. The foregoing paragraphs, with their use of established capitalist phraseology, may be criticised on the ground that they imply a capitalist mentality and are therefore misconceived. As to that, the value of established phraseology is that everyone knows what is meant. Even if we decide to eliminate certain capitalist features from a State-owned commercial enterprise, we at least know exactly what it is we are eliminating. But I suggest that the problems here considered do not differ in substance, whether the enterprise be privately or publicly owned. I believe they are basically problems of any corporate form of human endeayour.

Certainly the Russians, although unhampered by any tradition of Parliamentary control of the day-to-day working of the machinery of State, appear to have reached conclusions of remarkable austerity in this matter. After experimenting with "workers' control" (they did not apparently try "consumers'"

control), they decided vigorously that the function of the manager was to manage, that no one, not even a trade union, was to interfere with him, and that, if he made a profit on the year's working, he would not only be congratulated but would receive a substantial bonus from the proceeds.

9. But the Russian—as also the capitalist—corollary of all this, while simple, inevitable and quite acceptable in principle, may not be so readily workable in practice. It is that the Board, provided it is given a clear mandate, adequate capital funds and complete executive independence, must be ready to accept the final verdict of the "shareholders" as to its ability and success. Should this be adverse, the resignation of the Board must be assumed as a natural consequence.

As long as detailed Parliamentary control remains, this simple conclusion can hardly be accepted. For there is the manifest risk that adverse criticism of the Board may be prompted, not by an impartial appraisal of its work at all, but by political motives. Such motives can arise, either in the course of a partisan attack on the Minister himself or in the pursuit of a career by individual members of Parliament. This latter risk is not negligible. The reputation of being a well-informed and trenchant critic in a specialised subject is one of the surest steps to political notice and advancement. There have been, and will be again, those capable of exploiting that process without excessive regard to the public interest.

Even if Parliamentary control be restricted and these hazards removed, there remains another practical difficulty. The tradition of all our older forms of public service is one of extreme gentleness and decency. Broadly speaking, no one is ever dismissed merely for not being good enough. By some convenient shuffle he is given another post, where he will do less harm. In the case of State-trading enterprises this solution must be regarded as inappropriate. It would seem that the tradition of decency must lapse. Changes in a Board must not be regarded as most unfortunate crises, to be contemplated only in cases of glaring inefficiency. The new attitude will not come easily. It may be helped, a little but not much, if members of the Board are required to retire anyhow, formally, in rotation.

10. But no constitutional safeguards can be so effective in both preserving the autonomy and ensuring the efficiency of a State-owned commercial enterprise, as the production of a genuine Profit and Loss Account, impartially audited. Such a document, if it is satisfactory, not only gives directors and executives something to show for a hard year's work, but stifles irresponsible criticism.

No idealogical controversy between the relative merits of private and public enterprise, between the profit motive and national service, must be permitted to obscure certain permanent facts. First, whether it be conducted by an individual or a State, the function of a commercial undertaking remains the same, namely, to produce goods or services at a price which the public will spontaneously pay. Second, the executives of such a concern must therefore think in terms of cost. Third, if the price be fair, to make a profit on it is a simple measure of efficiency and, at least in that context, the profit-motive is wholly good.

11. The health and vigour of any commercial undertaking depends on the extent to which it commands its own activities. This in turn requires a command over its funds. If, in the case of a Corporation, this command is exercisable only with the approval of the Treasury, then the state of the Corporation is precisely that of an undertaking which is in the hands of a liquidator or heavily mortgaged to its Bank. It too can exercise command over its funds only with the approval of a second party and there is no health in it. But, whereas in the latter case this parlous state only reflects a diseased condition after it has arisen, in the case of a Corporation permanently mortgaged to the Treasury the disease would have, unhappily, to be regarded as endemic from the start.

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This would be wrong. No health, character or vigour could be expected from any body of persons asked to conduct a trading enterprise under such conditions. To argue that they are trading with the taxpayers' money and must therefore be held on a leash, is a cheap alternative for thinking the matter out. Why keep a dog, if you propose to do the barking yourself? Why pay high salaries, if discretion and responsibility are not to go with them? Instead of recruiting men of first-grade business and administrative ability to your Corporations, recruit them to your Ministries direct, if that is where discretion and responsibility are to reside.

There is no inherent difficulty in this matter, if two principles are separately accepted. One is that, in entering the field of trading enterprise, the State is taking a risk, as does everyone else who enters commerce. It must be prepared for errors of judgment to be made and financial loss to be incurred thereby. The other is that this loss, if it arises from mismanagement, can always be limited in extent by the simple process of removing the management. What achieves the worst of both worlds and can only end in failure is a wrong-headed attempt to forestall a loss by looking over the manager's shoulder while he works. As already stated, no good man will work under such conditions and the best hope of avoiding loss, namely, good management, is thereby lessened.

12. Under the general title of autonomy there are four headings to be considered. First, the provision of funded capital; second, the disposal of gross trading profits; third, the expenditure of unappropriated reserves; fourth, the general conduct of the business. As to the first, controversy need hardly arise. Whether capital is to be raised in the market or by interest-bearing loan from the Exchequer, clearly the requirement must be closely scrutinised and the amount approved by the Minister, by the Treasury and by Parliament. But, once approved, the calls upon it should be at the discretion of the Corporation.

As to the second, if the Corporation is not a monopoly and its charges are competitive, or alternatively if it is a monopoly, but its charges are themselves subject to ministerial approval, then surely it should have complete autonomy in the disposal of its trading profits ,after meeting whatever capital charges are properly imposed upon its trading account. It should be free to use them, not merely free to ask permission to use them, for any purpose within the undertaking—for bonuses to its employees or to accelerate the writing down of plant bought at top prices or to try speculative activities or to feed a general reserve fund. Naturally, before such autonomy can be claimed, the trading account must meet whatever redemption charges properly arise in connection with any trading advances it may have received from the Treasury or other sources. It may be argued that in capitalist enterprise it is the shareholders' function to determine the disposal of trading profits and that in State-owned enterprise this function properly devolves upon the Minister as the "shareholders'" trustee. But, if the Minister has already influenced the prices at which the Corporation sells its goods or services, he has substantially exercised this function in advance. In any event no body of shareholders normally challenges the decision of the directors in devoting at least the first fruits of any trading surplus to whatever objectives or funds they may consider conducive to the health and development of the undertaking.

As to the third, expenditure out of any unappropriated Reserve Fund, the Minister's authority as shareholders' trustee must clearly be recognised.

The fourth aspect is treated more fully below.

13. There is a further and specialised aspect of financial autonomy which has no commercial counterpart. It arises when a State-owned undertaking, engaged in commercial enterprise and subject to public criticism of its results in

that category, is directed by the Minister to pursue activities which may be socially or politically desirable, but are uneconomic. Clearly the loss incurred by such activities should not be submerged in the general trading account of the Corporation. They should be separately assessed and an appropriate grant in aid agreed. How could any body of keen, cost-conscious executives put their backs into their work and challenge comparison with similar trading concerns, whether public or private, domestic or foreign, if true comparison is to be frustrated by the merging of commercial and non-commercial activities? Obviously they could not.

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14. The four aspects of autonomy referred to above have actually been treated as follows in the two measures of nationalisation, the Civil Aviation Act and the Coal Industry Nationalisation Act.

(1) Capital

Aviation.—Issued, in effect, by the Treasury, up to a maximum imposed by the Act.

Coal.—The vast bulk of the capital, namely, the assets represented by the mines, is passed to the Coal Board at a valuation, in arriving at which it has had no part. New working capital may be issued to it at the Minister's discretion up to a maximum imposed by the Act.

(2) Disposal of Trading Surplus

Aviation.-All initiative is denied to the Corporation.

Coal.—Nominal initiative is permitted to the Board, the Minister reserving the right of specific direction.

(3) Unappropriated Reserves

In both cases a Reserve Fund "shall" be formed, though from what source, if the venture does not make a trading surplus, is not disclosed.

In both cases allocations to this Reserve are nominally at the discretion of

the Board, but the Minister reserves the right of specific direction.

Expenditure from the Reserve is not, as might be expected, solely at the Minister's discretion. In both cases it is nominally at the Board's discretion, the Minister reserving the right of specific direction.

(4) Conduct of the Business

(a) General.—In both cases the Minister may, after consultation with the Board, give it directions of a general character in matters affecting the national interest. Time alone will show how widely this power will be interpreted.

Further, in the case of Aviation, the Minister may by Order, subject to Parliament, limit any of the powers of a Corporation without even consulting it. It is an interesting feature of the combination of nationalised industry with Parliamentary Government, that, should the Minister and his Corporation differ fundamentally on the propriety of any such limitation, there is no method whereby the Corporation's case may be made available to Parliament and a debate thereon ensured. Is the Corporation expected to "lobby"?

In the case of Coal, the Minister has no such power to limitation.

(b) Particular.—In the case of Aviation, in addition to his complete control over any trading surplus, the Minister must have submitted to him Three Year Plans of all proposed operations with appropriate financial estimates.

In the case of Coal no such specific plans and estimates are required. Programmes of Capital development, training and research must, however, be

"on lines settled from time to time with the Minister."

15. The fourth aspect of autonomy, namely, the general conduct of the business, is admittedly something which no Act of Parliament can ever define. Obviously a State-owned undertaking can never be wholly free. It is responsible to the community-daily, not merely once a year. You cannot get away from that. Also, to be any good, a corporate enterprise, commercial or other, must have a character and a conscience of its own. The leaders of such an enterprise must be true to that character and be the devoted servants and executants of that conscience. You cannot get away from that, either. The task is to combine the two loyalties.

Should there be any difficulty? Not if this fundamental truth is recognised, that corporate character and conscience can be nurtured only in one medium. That medium is personal responsibility. To set up a public Corporation and instruct it to conduct its activities to the general satisfaction of a Minister, is wholly consistent with that responsibility. He is the Trustee Shareholder; he represents the proprietors of the business, the parties for whose satisfaction the whole enterprise has its being. But unfortunately, when Parliament says "Minister," it means "Ministry." Are the Ministers of Fuel and Power, of Civil Aviation and later of Transport going to be content with their own personal supervision of the work of their children? Or, to be safe, must they feel compelled to departmentalise this function, to fortify themselves with a staff of "experts," capable of shadowing every phase of their Corporation's work? Having appointed a good manager, are they going to appoint more people to look over his shoulder?

16. There are good reasons for studying, far more closely than appears yet to have been done, the functional demarcation between a Corporation and its

parent Ministry.

First, absence of a definite demarcation can only result in gross waste of a class of manpower which is already in very short supply. If the Ministry, for example, in the way of safeguarding the national interest, is to be drawn departmentally into the more technical aspects of costing, into price or fare tariffs, the relative economics of different plant and different methods, the technique of staff relations, the establishment of pension schemes, etc., it is evident that duplication must arise. If in all negotiations with outsiders there must be a "team," composed of Corporation officials and Ministry experts, then duplica-

tion is even more manifest. Indeed it is arithmetical.

Second, with all the friendliness and co-operation in the world, a "shadowing "system must incur executive delays. A project, let us say, of great technical complexity or of considerable commercial hazard presents itself to the Corporation, as a trading concern. A number of weeks, or even months, is spent on it in internal study. Divergent views upon it are held by the Corporation's experts These are ultimately resolved and, with much searching of heart, a firm decision ultimately emerges. But if "the Minister's approval," not only has to be obtained, but can be obtained only vicariously by satisfying a department of his Ministry, the whole process stands to be repeated. Worse still, the very divergencies, which had to be resolved within the Corporation, may repeat themselves within the Ministry and be differently resolved, so that a situation of stalemate, involving still further delay, ensues.

The only logical method of avoiding these delays would be the complete integration of Corporation and Ministry officials at all departmental levels, literally working side by side. This would be the "shadow" system pursued ad absurdum

and would indeed be functionally crazy.

And we simply cannot afford delays. State-owned trading enterprises have got to achieve the same standards of decision and quick action as are obtainable either by private capitalist enterprise at its best or by totalitarian régimes at their

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simplest and most ruthless. In certain cases, such as air transport, we cannot afford delays for the further reason that the subject itself will brook no delay. It literally dies on us while we talk. Such is the rapidity of aeronautical advance that the aeroplane may be commercially obsolete at three years old. To waste only four months in inter-departmental discussion of what it is to look like, who is to make it or what is to be done with it, is simply to throw away 10 per cent. of its revenue-earning capacity. And this could happen. Some argue, for example, that our new air-line Corporations should not be free to exercise, what a simple-minded person might regard as a rudimentary, indeed a fundamental, function of any air transport undertaking, namely, to select and order an aeroplane. They should first confer with each other and with the staffs of two separate Departments of State. The theory is perfect "co-ordination,"—dangerous word—but, if it is adopted, the practical result, unless some superdynamic individual forces the pace, may well be an aeroplane which is dead before it flies.

A further, and equally bad, result would be to present the air-line Corporation with a plausible "alibi." If its operating results are subjected to criticism, it may be able to say that it was not allowed the aeroplane it wanted or that it got it, but too late. The same situation, albeit in less spectacular form, will arise if the Coal Board is not allowed to buy the machinery it wants except with the co-ordinating approval of the Ministry of Fuel and the Board of Trade.

Third, although "red tape" is a national joke, British civil servants as a body actually receive far more praise than blame from serious observers. The proportion is wholly justified; but let it not blind us to the fact that men, who abandon all claim to personal eclat or large financial reward, must, unless they be archangels, be expected to produce at least something by way of compensatory defects. These are a certain aloofness from the daily urgencies of commercial administration, a certain clannishness and, more important, a considerable degree of intellectual pride. This last defect must clearly assume its most dangerous potential, when the civil servant's task is, not the administration of the law, but the purely critical function of shadowing the activities of someone else with no executive responsibility for the result.

17. Even with no human defects it is this feature, the dissipation of personal responsibility, which must condemn the shadowing system. It encourages, even in the best of men, the devastating habit of "passing the buck." Men of creative zest, men who want to take a decision to-day and act on it to-morrow, either themselves become or are succeeded by men who shrug their shoulders and draw their pay. Moreover, to be healthy and effective, responsibility must devoive in a continuous chain from top to bottom. The departmental executive of whatever grade will not loyally accept his own share of it, if he knows that that of his superiors is indeterminate or conditional. If the Board of a Corporation or its Senior Executives can blame "the Ministry" for restricting or unduly influencing their discretion, for taking policy out of their hands or for hampering its execution by departmental vacillation or delay, that fact will permeate the whole structure. Energy will be sapped, authority will be emasculated. The foreman and the chargehand will shrug their shoulders too.

The only compromise on the shadowing principle, which, while easing the personal anxiety of the Minister regarding his Corporation's activities, would neither undermine its responsibility nor delay its work, might be the appointment of a single liaison officer. There might be attached to the Corporation at the Senior Executive level, a civil servant of first-class ability and lively intelligence. Let him be aware of their problems, as they arise, whether technical, commercial or administrative, and be present as a sympathetic observer while they grapple

with them. It is a policy which is not bound to succeed, but, given the right man, it might. And, if it did, the friction and delays which it could eliminate might add up to a very formidable achievement.

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18. If that compromise is rejected and the shadowing system is to be regarded as an inevitable feature of industry conducted by a statutory Corporation, then, since the shadowing system is bad, one is driven to ask, why adopt the Corpora-As has been suggested above, if it is in Whitehall that tion method at all? discretion and responsibility in respect of all State-owned enterprises are to reside, why not organise that responsibility in direct sequence, i.e. from Parliament to the Minister and from the Minister, through appropriate Directorates of his Ministry, straight to the humblest employee? Such a solution eliminates all the problems discussed in this study. It means, of course, "running the business from Whitehall," and our Ministers seem more or less unanimous that that is undesirable. Yet, as long as they retain the anomaly of a single all-powerful Exchequer conceived on nineteenth century principles and as long as they refuse to re-examine the principles of Parliamentary scrutiny and control, it seems to follow almost inevitably that "Whitehall" becomes the only place from which State-owned business can be run.

Such a conclusion, to achieve any sort of efficiency, involves a revolution in the recruitment, organisation, conduct and outlook of the Civil Service, or at least in the new Directorates which are implied. It means that young men would no longer enter the Civil Service because it is eminently safe. They would enter it for the reasons that in the past have led them into industry and commerce, namely, that it is eminently unsafe, but that it offers wide scope to individuality and initiative, that it promotes on merit and not on seniority and offers high rewards to brilliance and ability, if these are of a kind which express themselves, not on paper, but in practical achievement. It involves higher salaries. involves abandoning the doctrine of anonymity. The revolution in recruitment and organisation might be easy, if the revolution in conduct and outlook could first be assured and made apparent. There is a small percentage of existing civil servants who would gladly accept such a challenge now and could in fact successfully respond to it. But the problem of the transition period would have primarily to be met by the recruitment of men of matured experience direct from the ranks of industry and commerce. To some extent this recruitment is actually going on. But it is being conducted with an absence of conviction and policy, which may well result in its attracting the second best rather than the best, at least in the purely administrative field.

19. The objections to "running the business from Whitehall" have never been fully debated. The instinctive hostility of any capitalist executive and of most citizens, as private individuals, towards it is familiar and intelligible. In the structure of the capitalist State the civil servant is the functionary, if not of prohibition, at least of restriction and control. He is the representative of a Government whose role in the community is conceived as regulatory and permissive, rather than as cogent and dynamic. To suggest handing over vital industries to the administration of such a body must seem wrong. The capitalist executive distrusts what he believes to be the traditional mentality of the civil servant, who does not ask himself, at 6 p.m. of a weekday, "What have we done to-day," so much as ask himself, more often at 11 p.m., "Have I reduced the contents of my 'In' basket to reasonable dimensions, whatever may be the size of my 'Pending'?" Further, he hates the formalism and the delays which seem inherent in any form of bureaucracy, however earnest its servants may be.

If the problem were only the former, namely, one of tradition and functional outlook, it might be capable of solution as suggested in paragraph 18, provided

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decisions of a quite far-reaching character were made and firmly adhered to. But bureaucratic formalism and delays raise a more fundamental issue. How can you immeasurably increase the central power of Whitehall without at the same time centralising and standardising your administrative methods and decisions? Could six Ministries running six trading enterprises for long maintain six independent policies regarding trade union issues, or "buying British," or consumer relations? Nothing but the most devout and almost eccentric pursuit of it, as a policy, could be expected to maintain any such degree of separatism in practice. And if centralisation does involve standardisation, then its results are inevitably, not only the executive delays inherent in all centralisation, but an identity of method leading to a formalism, which must emasculate personality and initiative, however admirably the personnel may be recruited for just those qualities.

But the strongest objection to "running the business from Whitehall" is probably political rather than administrative. It will be felt by the trade unionist politician, by the Social Democrat and by the evolutionary Radical. It will hardly be felt by the highbrow Socialist and not at all by the Communist. In short the political objection to "running the business from Whitehall" is held by those who see in it the first step to the Totalitarian State and who honestly dislike totalitarianism. What is by no means so certain is whether a series of statutory Corporations, conducted with ostensible independence but actually under telephonic pressure from their parent Ministers, will achieve anything substantially

different.

But they can at least try; though, if their problems have been at all correctly set out in the preceding paragraphs, it is clear that they are a tender plant and will need the maximum nourishment, both in clearly conceived policy and in practical treatment.

20. If the emphasis throughout this study has been placed upon personal responsibility, it will be found, I believe, to have been rightly so placed. It is by no means a platitude. Many regard it as controversial. They hold that there is a vast latent source of collective enthusiasm, obviously untapped by the capitalist, which awaits only the establishment of a socialist economy for its release in an outburst of constructive energy. The spontaneous reactions of nuclear fission are to be as nothing compared with it. One need not be a cynic or a Stalinite (or both, if they be the same) to suggest that such an idea is largely moonshine. Enthusiasm and efficiency are not synonymous. Moreover the illustrations sometimes derived from the collective spurt of a nation at war for a few years are really quite inappropriate to the permanent economic occupations

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of a people at peace, whatever their policy.

It seems to me that, after a period of starry-eyed enthusiasm, the Russians have rediscovered the simple fact that the best guarantee of cheerful efficiency in any form of collective effort is considerate but firm management exercised by managers who know their job, whose authority is for that reason accepted by all and whose decisions are as far as possible both spontaneous and final. If the management be weak in itself or indecisive because its powers are indeterminate, then no array of staff associations and joint production committees can hope to achieve a corporate unity of purpose. They can help to create a corporate atmosphere, they may even inspire a corporate enthusiasm. But they cannot initiate, nor can they determine, the policy of the enterprise; still less can they be held responsible for its success or failure. Their value, in short, is solely ancillary to a clear policy and good leadership. In the absence of either of these they can be little better than debating societies. As Herbert Morrison says, "Industries cannot be run by committees, meetings and prolonged argument. They must be managed, in all grades, by men with individual responsibilities."

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In a capitalist, and apparently in a communist, economy that dogma is no more than a truism. It is in a socialist economy that it needs dispassionate examination, and, if found acceptable, needs emphatic statement and the widest propagation. Why? Because in an industry conducted by the people for the people everyone, in the absence of any corrective, will clearly feel free to talk at once and will probably proceed to do so. And the corrective principle is no more than this, that democracy can legislate but cannot execute.

The Professional Discipline of Solicitors

By the SECRETARY OF THE LAW SOCIETY

D ISCIPLINARY jurisdiction over solicitors is inherent in the Supreme Court, and before, 1873, was exercisable by the different Courts over the persons who respectively discharged in them the functions now discharged in all courts by solicitors. Previously, the name "solicitor" was usually reserved for those who practised in the Courts of Equity, or acted as Parliamentary or Privy Council agents, or conducted non-contentious legal business; and those who practised in the Common Law Courts were called attorneys; while those who practised in the Ecclesiastical and Admiralty Courts—which dealt, amongst a miscellany of business, with that now despatched by the Probate, Divorce, and Admiralty Division—were known as proctors.

It would be difficult to fix the date at which the jurisdiction emerged as a definite legal concept, but it is certainly of very long standing. Thus, one may read in Freeman's King's Bench Reports of the year 1673 of an attorney who was committed and turned out of the roll (sic) for being "an ambidexter, viz., after he was retained by one side he was retained on the other side "-presumably in litigation, since nowadays, at all events, it is an everyday occurrence in noncontentious matters for the same solicitor to represent both parties. If any Court took disciplinary action against one of its officers, any other Court in which he had been admitted usually followed suit after receiving official notification of the facts. By the Supreme Court of Judicature Act, 1873, however, the jurisdictions of most of the superior courts were vested concurrently in the Supreme Court of Judicature, comprising the Court of Appeal and the three divisions of the High Court. All persons empowered to practise in any of the Courts whose jurisdiction was so transferred received the style of Solicitors of the Supreme Court and became entitled to practise in all divisions of the High Court and in the Court of Appeal; and those Courts were given the same jurisdiction over all solicitors as previously had been vested in particular Courts in respect of their own officers. Thenceforth, accordingly, if the jurisdiction were successfully invoked against a solicitor, his name was struck off the Roll of Solicitors of the Supreme Court, or, if he was suspended from practice, the suspension operated throughout the Supreme Court.

Thus, apart from certain changes of procedure, the position remained until 1888. The procedure upon applications against solicitors was, however, cumbersome and often expensive, and involved the disadvantage, among others, that they were generally referred for report to a Master, who had probably not himself been in practice as a solicitor, and might therefore not be best qualified to say whether a solicitor's conduct conformed to proper standards. In 1888, therefore, the first step was taken towards making the solicitors' profession master in its

own house. The Solicitors Act of that year set up a special tribunal for the hearing of complaints against solicitors, appointed by the Master of the Rolls from

among the members of the Council of the Law Society.

This Statutory Committee were the direct predecessors of the Disciplinary Committee now constituted under the Solicitors Acts, 1932 to 1941, but they had as yet no power to make any order upon an application made before them. They were purely an investigating body, with the duty of hearing applications and reporting thereon to the High Court; and their report had the same effect as formerly the report of the Master had, and was treated by the Court in the same way. After the report had been filed, it became the duty of The Law Society to bring it to the attention of the Court if it found a *prima facie* case of professional misconduct against the respondent solicitor; whereupon the Court made such order as was considered appropriate, including orders as to costs. Although the Court was not bound by the report if it thought the Committee's findings, or their inferences therefrom, incorrect, it always attached great weight to the findings of fact, especially where there was a conflict of evidence and both parties had given evidence before the Committee.

Where professional misconduct was proved against a solicitor, the Court might order that his name be struck off the Roll, or suspend him from practice for any period; or, if his offence did not, in the Court's opinion, merit severe punishment, he might be ordered merely to pay the costs of the application and enquiry. Within these limits, the Court's discretion, as to their order was, speaking generally, absolute. There was, however, a right of appeal from the Divisional Court of the King's Bench Division, who considered the Committee's report in the first

instance, to the Court of Appeal.

The new procedure thus established remained in operation until 1919. During the interval many important questions of principle affecting the exercise of the disciplinary jurisdiction were decided by the Court upon consideration of the Statutory Committee's reports in individual cases. In particular, the question what conduct was, and what was not, such as to evoke the disciplinary jurisdiction, was frequently mooted, and the guiding principles laid down. The Court, besides entertaining a decided respect for the Committee's findings of fact appears always to have been keenly appreciative of the views of the Committee on the subject of professional conduct, although by no means holding itself concluded thereby. It was therefore a natural development that the exercise of disciplinary power should ultimately be entrusted entirely to the Committee. This development took place under the Solicitors Act, 1919, whereby the Committee were empowered, after hearing an application against a solicitor, to make any such order as to striking his name off the Roll or suspending him from practice, or as to the payment of costs, as previously had belonged exclusively to the Court. The provisions of the Act of 1919 were substantially the same as those substituted by the Act of 1932, which, as now amended, remains the principal Act in this connection, and the prime source of jurisdiction of the Disciplinary Committee.

The original jurisdiction of the Supreme Court is however preserved, concurrently with that of the Committee, although it has only been invoked since

1919.

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The present constitution of the Disciplinary Committee is laid down by Section 4 of the Act of 1932, as slightly amended in 1939. This provides for the appointment of members by the Master of the Rolls from among members of the Council of The Law Society and such former members of the Council as are practising as solicitors in England. It is worth emphasising, since misconception on the subject is widespread, that the Disciplinary Committee are not, nor were any of their statutory forerunners, a Committee of the Council of The Law

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Society, and they derive none of their powers from the Council. Indeed no provision exists giving the Council any voice even in the selection from among their own members of persons for appointment to the Committee. It is particularly important that the separation between the Council and the Committee should be recognised, since, in the great majority of proceedings before the Committee, The Law Society is itself the applicant. Nor is the separation a mere colour, since no member of the Disciplinary Committee is ever at the same time a member of that Committee of the Council which considers complaints made to the Society against solicitors and decides whether or not disciplinary proceedings should be instituted. Accordingly, when a member of the Disciplinary Committee becomes President of the Society, and thus, ex officio, a member of all its standing committees, he always forbears, during his Presidency, the exercise of his judicial functions as a member of the Disciplinary Committee.

Any objection, therefore, to the fact that the tribunal hearing applications against solicitors is composed of members of the body that in most cases directs the making of the application, and that its members are thus in the position of being both judges and litigants, is theoretical only, and is rightly outweighed by the need for an expert tribunal to consider complaints arising in the specialised field of professional conduct, and to assess the evidence adduced in support of them. In practice, proceedings before the committee are conducted, as far as their nature permits (which is very largely), in the same way as an action before a High Court judge sitting without a jury; and The Law Society appears before the Committee on the same footing as any ordinary litigant before the Court.

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In detail the conduct of disciplinary proceedings is regulated by rules made by the Committee, with the concurrence of the Master of the Rolls. They are originated by a formal application, asking that the solicitor (who, in the proceedings, is described as the respondent) may be required to answer the allegations contained in the supporting affidavit of facts which must accompany the application; and that his name may be struck off the Roll; or that such other order may be made as the committee may think right.

Any person may make an application, but, as already indicated, the application is almost invariably made in practice by The Law Society. There are several reasons for this. Not only does the Society, as the governing body of the profession, having now the right of its own motion to inspect the books of any solicitor, occupy a position from which it readily obtains knowledge of cases requiring investigation; but it also receives in the first instance almost all the complaints made by members of the public against solicitors. All those complaints which are not, on their face or after preliminary investigation, obviously ill-founded receive consideration from a standing committee of the Council, and any that passes this further scrutiny is made the foundation of an application to the Disciplinary Committee, on behalf of The Law Society, by a solicitor whom the Society instructs, who also swears the supporting affidavit.

The affidavit is a somewhat curious document, in that it is not evidence before the Committee of the facts alleged in it except so far as it may be made such by admissions at the hearing. The applicant has to be ready to prove his case by means of oral testimony, exactly as in a High Court action. The affidavit's true function is merely to bring the alleged facts before the Committee, in the first instance, for the purpose of enabling them to decide whether there is a prima facie case requiring their investigation. Accordingly, the first official step after receipt of the application and affidavit is the submission of the latter for consideration to the Committee, who will then direct that a day be fixed for hear-

ing the application, unless they decide that no prima facie case has been made out. In the latter event, the Committee may dismiss the application without requiring the respondent to answer the allegations, or hearing the applicant, and, indeed, without making any formal order, unless either party requires them so to do.

If the Committee find a *prima facie* case, a day is fixed for the hearing, and notice thereof is given to each party, normally requiring him to furnish to the Clerk to the Committee and to every other party, before the hearing a list of the

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documents on which he intends to rely.

An application cannot be withdrawn except by leave of the Committee. This rule exists to prevent a frustration of justice that sometimes occurred under the old procedure before the Court. The Disciplinary Committee, like the Court exercising disciplinary jurisdiction, do not sit to try a claim by the applicant against the respondent, and the orders consequent on an application never included orders for restitution or compensation by the respondent. Consequently, when, as usually happened, an application under the old procedure was referred to a Master for report, the applicant might well be unwilling to incur the considerable expense of pursuing the matter, and was sometimes content that the inquiry should be indefinitely postponed, if its institution had enabled him to put pressure on the solicitor to settle his personal grievance. The solicitor, for his part, was willing enough to avoid the publicity of having the report read in open Courtas was the practice, even if it exonerated him. In these circumstances the Court's jurisdiction not only might be frustrated through the applicant's failure to recognise any public duty as incumbent on him, but also might be abused by frivolous or blackmailing applications. The rules requiring the Committee to fix a day for hearing, and prohibiting the withdrawal of the application without their consent, ensure that the hearing shall take place unless the Committee expressly direct otherwise, which they will not lightly do. They may, indeed, upon application, or of their own motion, adjourn the hearing-but an adjournment is granted as a rule only for a definite period, and by no means as of course.

The hearing takes place, almost invariably, before only three of the nine members of the Committee, any three forming a quorum for this purpose. The Committee sit in camera to hear the case, the importance of sparing the respondent damaging publicity being allowed in this special instance to countervail the general and salutary rule that judicial proceedings should be conducted in public. The applicant, or his counsel or solicitor, opens the alleged facts and calls his witnesses, who are examined, cross-examined, and re-examined, on oath in the usual way. It is then for the respondent—who may similarly be, and often is, represented by counsel or solicitor—to open his case, if he thinks fit, call his own witnesses—usually including himself—and address the Committee.

The Committee may proceed with the hearing and determination of the application notwithstanding the absence of any party, provided that service on

that party of the notice of hearing is proved.

If the Committee find that the charges, or any of them, have been substantiated, they may order that the respondent's name be struck off the Roll, or that he be suspended for any period from practising as a solicitor, or that he shall pay a fine, not exceeding £500, to be forfeit to the Crown. The power of fining is an innovation, first introduced by the Solicitors Act, 1933, by which it could only be exercised in respect of offences against rules made by the Council, in exercise of their power in that behalf under Section 1 of the 1933 Act, regulating the keeping of accounts and the handling of clients' money by solicitors, or otherwise regulating professional practice, conduct, or discipline. By the Solicitors Act, 1941, however, the power is available in all cases where the Committee have a discretion as to their order.

The Committee's discretion in this respect is absolute, with two exceptions: Section 51 of the Solicitors Act, 1932, requires the Committee to make an order striking the solicitor's name off the Roll in certain cases where it is found, broadly speaking, that he has wilfully and knowingly acted so as to enable a layman to pass himself off as a solicitor, as, by allowing the layman to conduct an action under the cover of the solicitor's name; and, under Section 52, a solicitor is required to obtain the written permission of The Law Society before employing or remunerating, in connection with his practice, any person who he knows has been struck off the Roll or suspended. Failure to do so, or contravention of any conditions subject to which permission has been given, carries with it a penalty of striking off or suspension for the employing solicitor.

The Committee do not immediately deliver judgment, as they are still required, in effect, by Section 7 of the Solicitors Act, 1932, to make a written report of their findings of fact, as well as an order thereon. When the Findings and Order have been settled, notice is given to the parties of the day fixed for their pronouncement, when they are read aloud, and are signed by the Chairman. At

this stage of the proceedings the Court Room is open to the public.

The Findings and Order are normally filed with The Law Society as Registrar of Solicitors, immediately after pronouncement, and are then available for inspection by the public. A notice stating the operative part of the Order is sent by The Law Society forthwith for publication to the London Gazette. The Committee, however, have power, on application, to suspend the filing of the Findings and Order. This course is most commonly taken if the respondent wishes to appeal, and the suspension of the filing in such cases, where it is ordered, is, in the first instance, for the eight days prescribed for lodging notice of appeal. In any case where the filing is suspended, the Order does not take effect until it is filed; and if it is one suspending a solicitor from practice, the period of suspension is deemed to begin only on the filing of the Order.

An appeal from an Order of the Committee lies in the first instance to a Divisional Court of the King's Bench Division, from whom leave may be given to appeal to the Court of Appeal. A further appeal lies, with leave, to the House of Lords. The Court has rarely seen reason to interfere with an Order made by the Committee—holding, in the words of the late Lord Hewart, that the Court "should pay the greatest attention not only to the findings of the Committee under this Act, but also, and not least, to the mode in which that experienced

body has exercised its discretion."

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It only remains to consider the principles upon which the Committee exercise their discretion; and in that connection the nature of professional misconduct—a phrase commonly used to denote conduct in respect of which a solicitor is brought before the Committee, but one that appears to have strictly no legal content. It is impossible to state the limits within which a solicitor's conduct must fall, to support such a charge, but a few of the more common examples are:—misappropriation of clients' money, or (what usually amounts technically to the same thing) contravention of the rules made by The Law Society to regulate the keeping of accounts and the handling of clients' money; conduct in the nature of touting or advertising for clients; sharing costs with an unqualified person; and "covering" such a person contrary to Section 51 of the Solicitors Act, 1932.

The crux in every case is whether the facts established constitute conduct unbecoming an officer of the Court or a member of an honourable profession. The question has been asked and answered in various forms in cases brought before the Court under the earlier procedure. For example, it has been stated

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as material to consider whether there is anything proved against the solicitor "which would seriously detract from the confidence which, in all the ordinary relations of life and in the ordinary business relations which a solicitor must maintain with his clients, ought to be placed in him." In the same case it was said that there might be circumstances in an investigation which would show that a man was wholly unfit to be a member of an honourable profession, or to be entrusted with the status of an officer of the Court; and in an earlier case, that "the Courts on such cases exercise their discretion whether a man whom they have formerly admitted is a proper person to be continued on the roll or not."

The first two of these statements of principle are taken from the judgments in the leading case of Re Weare (1893). The case is particularly instructive in view of the respondent's contention that, since the offence had not been committed in, or in relation to, his character as a solicitor, the Court had no jurisdiction. The facts were that the respondent had been convicted of knowingly allowing premises of which he was the landlord to be used as brothels. The Divisional Court, and the Court of Appeal after them, were clearly of opinion that the respondent was consequently subject to the disciplinary jurisdiction, notwithstanding that the offence had nothing directly to do with his professional life. It was enough for them that he had been convicted—as they held, rightly—of a personally disgraceful act.

It is not every conviction for a criminal offence, however, that will result in an order against a solicitor; while, on the other hand, it is not necessary to the Committee's jurisdiction that a crime should have been committed at all. is said that a conviction is prima facie evidence of professional misconduct; but, while conviction for a crime of a fraudulent nature will no doubt, unless in very exceptional circumstances, draw on a finding of professional misconduct and in all probability an order striking the solicitor off the Roll, it is open to him to plead, in every case, that the facts do not amount to professional misconduct, or to urge extenuating circumstances in mitigation of punishment. What is not generally open to him, where the conviction is that of a superior court, is to reopen the facts upon which it was recorded. This is not because the conviction itself constitutes the offence; but the Committee are loth to go behind the findings of a superior court regarding matters of fact. Where the conviction was that of an inferior court, however, the Committee have received evidence that was not before the convicting tribunal, or which tended to show that the conviction was irregular or not supported by the full facts; and generally have felt at liberty to consider the facts afresh.

Thus, in a case where the respondent was before the Committee in consequence of a conviction by a court martial, they heard de novo the evidence of a witness who had given evidence at the trial, and of other witnesses whose evidence was not then taken, tending to show that the respondent's mental health was such, at the time of committing the offences (which were not denied) in consequence of his war service that he was, though legally, not morally responsible for his actions. The Committee, however, expressly rejected the respondent's submission that the offences had taken place in circumstances so remote from his professional life as to exclude the Committee's jurisdiction. In this case, and in another shortly afterwards, the Committee also heard argument by counsel that the proceedings of the court martial had been conducted in a manner that would not have been permitted in a civil court. In both cases the Committee refused to make any punitive order; though in one case they ordered the respondent to pay the costs of the application and inquiry before them, on the sole ground that The Law Society, on the information available to them, could not have done otherwise than to take disciplinary proceedings. Again, during the recent war, disciplinary proceedings were instituted against a solicitor as the result of his having been convicted by a local bench for dealing in clothing coupons in breach of Rationing Orders. The Committee received the evidence of the respondent as to the whole facts, which tended to show that, of four offences, the first two were of a casual and trifling nature, and the others took place in circumstances strongly suggestive of a "frame-up." Having regard to these facts, and to the sentence that he had already served, the Committee, though finding the respondent guilty of professional misconduct, thought it enough to order his suspension for three months and payment by him of the costs. An interesting feature of the Committee's findings was their express recognition of the fact that the respondent's conviction and imprisonment had not impaired his relations with his partner and the firm's clients.

In another war-time case, a solicitor employed by a firm as a managing clerk, and having at the material time practically the full responsibility of the practice in the absence of the partners on service, came before the Committee after a conviction for aiding and abetting a client of the firm in effecting an illicit sale of whisky. The Committee accepted the respondent's statement that he had consistently advised the client that he could not lawfully effect a sale, but that eventually, being too much harassed to give the matter proper thought, he had consented, in view of the client's standing, to allow his principals' office and the services of members of their staff to be used in the fabrication of correspondence to disguise the real nature of the transaction. They held that the respondent had been guilty of conduct unbecoming an officer of the Court and meriting grave censure; but that in the circumstances a finding of professional misconduct was not justified.

The distinction here drawn between "professional misconduct" and other forms of conduct falling within the range of the disciplinary jurisdiction is not unique. A year or two previously the Committee found that a solicitor who had written a number of offensive letters in the conduct of his practice had been guilty of conduct unbecoming a member of an honourable and learned profession. It is probable that these two last-mentioned exceptional findings together define the scope of what is loosely called "professional misconduct"—though whether in substance either of them differs from a finding of professional misconduct, eo nomine, may perhaps be doubted. In the most recent case where the issue of jurisdiction was raised, the Committee expressly approved the following statement in a deciding text-book: "The jurisdiction is not limited to cases where the misconduct charged amounts to an indictable offence, or is professional in character, but extends to all cases where a solicitor's conduct is such as to render him unfit to be an officer of the Court."

This is the positive side. Negatively, it is possible to specify one or two instances of conduct that will not provide a foundation for disciplinary proceedings. These are implicit in the fact that the Committee does not exist to provide a remedy to clients who have suffered loss at the hands of a solicitor. The injured client has recourse to the normal process of the Courts for redress; and accordingly the Committee have no power to make any order as between solicitor and client. The Court still has power to make orders to compel its officers to do what is just and right vis-à-vis their clients, where the relationship of solicitor and client has been clearly established; as, to fulfil undertakings, or to hand over money or documents. Where it is too late for the Court te act in this way, the client's remedy is by way of an action.

The Committee, therefore, will not deal with complaints of negligence or overcharging, merely as such, since the client can seek redress in the first case by an action, and in the second through the Supreme Court Taxing Office. Only exceptional circumstances would render such allegations material to any issue

triable by the Committee.

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Although the Committee do not exist, and have no power, to try civil claims against solicitors brought before them by clients damnified by their misconduct, they are not therefore to be regarded as having no concern with the public interest. The very opposite is the truth, for the protection of the public is clearly recognised as a primary factor controlling the exercise of the Committee's discretion, both as to the nature of their order and also, sometimes, in considering whether some particular kind of conduct lies within their jurisdiction. The Committee, in fact, may be said to exist ultimately for the protection of the public and for no other purpose; for that high standard of professional integrity which it is concerned to maintain has in the last analysis no other object. Incidentally, however, the preservation of such a standard is equally in the interest of the solicitor's profession itself; while on the other hand the Committee, from the expert practical knowledge of their members, are able to protect solicitors from being embarrassed by any over-exacting conception of what is proper in the detailed performance of their duties. It has already been mentioned that this was one reason for the transfer from the Master to the Committee of the duty of reporting on the facts in cases of complaint, and it remains an important aspect of the Committee's function, although no doubt a minor one.

The Committee, therefore, subject to the over-riding consideration of public interest, hold the balance between the profession and the general public, and this is faithfully reflected in its procedure, which provides a fair hearing for both applicant and respondent, where the rules of evidence tested for many years in the Courts are observed and the proceedings generally follow lines as closely analogous as possible to those upon which the High Court has found it expedient to conduct its business. The exercise of judicial function by a special tribunal of any kind is rightly the object of some suspicion, and the subject was never more topical than at present, when quasi-judicial bodies created for special purposes are already a commonplace, and bid fair in future to outnumber the leaves in Vallombrosa. The importance of the Disciplinary Committee's dissociation from The Law Society, which so often figures as a litigant before them, has been stressed above, and it is well indeed that all special tribunals should be similarly free from constraint inherent in the nature of their constitution and equally well placed for bringing a developed judicial sense to the consideration of matters presented before them by whatever skilled advocacy the parties choose to enlist.

Recent Trends in French Local Administration

By V. D. LIPMAN

THE existence of a Republic in a country so centralised as France has always seemed to me to be something absolutely chimerical and unrealisable," once wrote Lord John Russell, and foreign observers have often been struck by the paradoxical combination in France of an advanced democracy at

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the centre, with a rigidly hierarchical and centralised system of local administration. Paul Deschanel put it even more succinctly: "We have the Republic ontop and the Empire underneath." The paradox can, and has often been,
explained by the operation of two factors. First, there is the persistence in
French Republican tradition of the Jacobin doctrine of France "one and
indivisible," excluding any considerable measure of decentralisation lest it might
lead to the disintegration of France. The other, more subtle but even more
persuasive, is the tendency of those in power to continue to avail themselves of
the existing instruments of control, even if they disapprove of them on the
grounds of principle. This explains the fact that so many prominent men of
different political tendencies have subscribed to programmes for increasing local
autonomy. Yet the system remained as centralised as before. "When one is in
opposition one attacks centralisation, but is only too happy to use it when in
power. It is such a convenient instrument of domination."

A GLANCE AT HISTORY

But looking beneath these generalisations it is possible to find in French legislation of the last century a constant tendency towards the democratisation of local government and the decentralisation of power. This has, however, been interrupted by the periods of authoritarian rule at the centre, and, during them, a retrogression took place. Thus the complete record shows a succession of swings of the pendulum, yet with each successive revolution bringing some new step forward. It is therefore not unnatural to expect the new period of constitution-making in France to contribute something to this tendency. The last six years produce in miniature a reproduction of the whole process. The Vichy régime produced a reaction comparable to those of the First or Second Empires; the new constitution has not only reversed the Vichy legislation but brought a new, and long awaited, development—the readjustment of the balance of power within the department. To understand the significance of this step, a brief review of the historical development of the present local government of France is required.

The current system of local government in France is older than that in England; instead of going back to 1834 and 1835, it dates from the French Revolution. The Constituent Assembly of 1789 established a thorough-going system of democratic local government. It divided France into departments, and these into communes. The laws of 14th December, 1789, and 8th January, 1790, provided both communes and departments with elected councils, and the executive powers were entrusted to responsible local officers. The communal council elected its own executive-a mayor and assistants; the departmental council-general chose its own "bureau" and a procureur syndic was elected by the department at large. Napoleon replaced this system of elected bodies by an administrative hierarchy, rigidly controlled from the centre. This system that of the 28 Pluviôse Year VIII (1800)—instituted the office of prefect, who was at the same time the representative of the central government in the department, and the administrator of the department's "local government." The council-general was no longer an elected local authority, but a nominated body, whose task was merely to advise the prefect. At the communal level, analogous changes were made. The mayor was still a local man (unlike the prefect, who moved from post to post in the course of his service), but was henceforward to be nominated by the central power; his council were likewise nominated, and restricted to advisory functions. To make the chain of command tighter, the rank of sub-prefect was instituted, to act at arrondissement level as a link between the prefect and the mayors: he, too, was given a nominated arrondissement council to act as his advisory body. From the year VIII dates the doctrine of "tutelle administrative"—the supervision exercised by the central government, through its agents, over the activities and finances of local bodies. In so far as legislation affecting the internal structure of local authorities is concerned, the history of the last century and a half shows the gradual return from the principles of the year VIII to the principles of 1789-1790; the new constitution marks one

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The stages already accomplished are the election of all deliberative bodies, and the free choice of the communal executive. The Bourbon restoration (1814-1830) produced no developments. The Bourbons were only too glad to use an administrative machine resembling that of the pre-1789 intendants and sub-delegates, though, as Louis XVIII remarked to Villèle, the prefectural system was "even better than the ancien régime." But the July Revolution of 1830 and the installation of the "citizen monarchy" of Louis-Philippe, brought changes. To take first the reform of communal administration, the law of 21st March, 1831, provided for the election (though on a restricted franchise) of municipal councils, and the law of 18th July, 1837 changed their advisory powers to those of decision. To make mayors once more locally chosen was the result of the next revolution—February, 1848—and the Second Republic passed a law on 3rd July, 1848, to provide for the local election of mayors of small communes. The Second Empire was a period of reaction, though some progressive steps were taken by legislation in 1867. But the installation of the Third Republic definitely re-established democracy in the communes. By the laws of 28th March, 1882, and 5th April, 1884 (this is still the organic law relating to municipalities) councils are elected and mayors chosen by the councils. The history of departmental councils is similar, though the return to 1790 has not been so complete. Following the 1830 Revolution, the law of 22nd June 1833, made departmental councils-general elective, and that of 10th May, 1838, gave them "moral personality "-corporate status-with the right to hold property and recognition as legally independent entities. After the fall of the Second Empire, the law of 10th August, 1871, re-established the elections of councils-general, and added another factor to strengthen their position—the departmental commission, or standing committee, to act for the council-general when it is in recess, as it meets regularly only twice a year. Though the department still had to rely on the prefect and his staff of State officials to execute its decisions, the departmental commission gave it a better chance of exerting its influence. Finally, a decree-law of 5th November, 1926-part of President Poincaré's economy campaignallowed the council-general increased freedom of action and relieved it from the necessity of securing governmental approval for its decisions.

CONSTITUTION MAKING

The assembly drafting the French constitution—approved by referendum on 13th October, 1946—was faced with a twofold task in the field of the internal organisation of local government. First, it had to reaffirm the basic democratic principles already achieved, but controverted by the Vichy régime. Secondly, it had, like every other democratic revolution (or restoration) to make its contribution to progress—which in French local government means the return to 1790. The Vichy régime put the clock back by restoring as far as was possible the principles of the year VIII. It suppressed elections for the councils of all communes with over 2,000 population; councils for communes between 2,000 and 10,000 had their members nominated by the prefect, and in communes over 10,000 population by the Secretary of State for the Interior. The departmental councils-general were abolished altogether in 1941,4 but nominated advisory councils were set up in the following year. Therefore both the first and the

RECENT TRENDS IN FRENCH LOCAL ADMINISTRATION

second constitutions prepared in 1946 begin their articles on local government by affirming the principle that the State recognises local authorities elected by . universal suffrage.6 Thus Article 76 of the second constitution reads: "The French Republic, one and indivisible, recognises the existence of territorial communities (collectivités territoriales). These are departments, communes, and overseas territories." And in Article 76 it says that they "administer themselves freely through councils elected by universal suffrage." Now, while the commune has, in its mayor and assistants, an executive responsible to it, the departmental council-general has to rely on the State officials in the department, headed by the prefect, for its administration. Further, the prefect has certain supervisory powers (tutelle administrative) over the council-general, as he has over all local authorities within his department. Hence; though the council-general elects a president to take the chair at its deliberations, that president is not the executive agent of the council-general as the mayor is of the communal council. The assimilation of the functions of the president of the council-general to those of the mayor of the commune is the crux of the discussions on the local government articles of the new constitution. Already, on 27th December, 1945, the commission, which was drafting the first constitution (the one that was rejected by referendum on 5th May, 1946) unanimously voted for the displacement of the prefectural system. It wanted to separate the two functions of the prefect, his duties as representative of the central government and as chief executive of the department. He would retain the former, but yield the latter to a representative or representatives of the council-general. "The lessons of the war-when the government of Vichy was able to take over at one stroke the whole apparatus of local government, by appealing to the loyalty which the prefects necessarily felt towards the established authority, had made the change almost inevitable."7 Hence the first constitution laid down that administrative control of local government, and the representation of national interests, as well as co-ordination of the local activities of central government services, would be entrusted to government delegates appointed by the Cabinet. The conditions under which the councilsgeneral of the departments, each headed by a president, would perform their functions would be laid down by law. The second constitution retains very much the same wording. Article 76 says: "the execution of the decisions of these councils (of the commune and of the department) is ensured by their mayor or president." Thus the president of the council-general is put on the same footing as the mayor. The text is vague, as the constitutional formula was intended merely to lay down the basic principle, the details being subsequently filled in by subsequent legislation. The draft had been sent back to the constitutional commission by the Assembly, at the instance of M. Herriot, because it was too indefinite. The rapporteur of the Commission (M. Coste-Floret) explained in the Assembly debate on 11th September, 1946, that the intention was that future legislation would follow, and that the president of the council-general would supervise (contrôler) the acts of the prefect carried out by the latter in his capacity as representative of the department. This is not the same as acting as the agent of the department himself, and the word "supervise" (contrôler) is more customarily used of the relation in the other direction—that of the surveillance of the prefect over the council-general. It was in this sense, too, that it was used by the chairman of the constitutional commission (M. André Philip) who intervened later in the same debate. "Our text is clear," he said. "Administrative reform will be realised by future legislation, but in accordance with the principles that we are now writing into the constitution-in particular, the following: the department becomes an autonomous entity, like the commune, its council-general enjoying wide powers under the supervision of the prefect." There seems, therefore, to be some doubt as to whether the president of the council-general will

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himself act as an executive agent or merely watch the prefect. At any rate, Article 77 continues the prefects and the principle of administrative supervision. "The co-ordination of the activities of State officials, the representation of national interests, and the administrative supervision of local communities are entrusted within the department by delegates of the Government." M. Herriot attacked the text of these articles first because of their imprecision, and then because he did not accept the principle he presumed they were intended to express. He asked who would really administer the department; who, for example, would appoint departmental officials—the prefect or the president of the council-general. If the former, there would be no change; if the latter, it would subject the local administration to the influences and vicissitudes of political considerations. challenged a division, and was supported by the right wing parties in the Constituent Assembly, who judged the proposals inopportune, ambiguous and ineffective. But the communists, socialists and M.R.P. all voted for the text, and it was carried by 418 to 122. It is, therefore, still a little difficult to forecast the exact nature of the new departmental administration, but the tendency is clear enough. There will be a considerable extension of the powers of the council-general at the expense of those of the prefect, extending perhaps even to the replacement of the latter as chief of the departmental executive by the president of the council-general.

REVISION OF AREAS

It is not only in the field of internal structure, however, that the last six years have seen new trends in French local administration; the whole framework of administrative areas is affected by changes made during the Vichy régime and continued after the liberation. Although the original system has now been restored, it seems probable that a thorough revision of areas will follow, when the first Parliament of the new French Republic gets down to the reorganisation of local government. Article 75 bis of the constitution says that "the form, extent, possible regrouping and organisation of the communes and departments are fixed by law," which means that this question is left over to subsequent legislation. Also reserved for future consideration is the possibility of giving the great cities different regulations and structures from those of small communes; and special arrangements for particular departments. Similarly, the whole functioning of the local branches of the Civil Service will come under future legislative review.8 All this is doubtless the result of the experiences of regional administration during the war-the first really substantial change in the area framework of French local administration for a century and a half. The departments and communes go back to 1790, the arrondissements to 1800, and, apart from the alterations due to the changes of France's external frontiers, there was but one significant alteration between 1800 and 1941. This took place in 1926 when President Poincaré suppressed as a matter of economy 106 arrondissement sub-prefectures.9 In 1800 the number of arrondissements created was 373, and the figure in 1926 was 383; 106 were then suppressed, and two new ones created, giving the figure of 279, which is substantially that still in existence.

The number of departments created by the law of 15th January, 1790, was 83; the number in 1939 was 90, mainly due to accessions of territory to France. The number of communes established in 1789 was 44,000; in 1939 the number had fallen only to 38,000, of which 31,000 had less than 1,000 inhabitants.

Yet though the administrative structure remained on the surface unchanged till 1941, it was subject to attack in two different ways. First, there was the campaign of the regionalists, culminating in numerous projects of legislation, and then there was the constant creation of regional areas for ad hoc administrative purposes. It is not possible here to deal at any length with the immense ques-

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tion of the regionalist movement in France, but merely to recapitulate a few details, to provide the setting for recent developments. Regionalism represents a theoretical rapprochement between those who desire merely a more extensive measure of administrative deconcentration and those who would prefer a recasting of the French political system on Federal lines. It springs from the wish to check the over-centralisation of French life—political, economic, cultural—in Paris, by means of a renaissance of the provinces with their centres, their local traditions and their economic activities. Its programme envisages two concurrent means to this end-the redivision of France into a number of wide and fairly homogeneous regions, based on traditional, geographic and economic factors, and the granting of considerable powers to these regional units, both by devolution from the centre and by concentration of authority now exercised by smaller authorities. The movement has its political, economic and cultural wings, according to the importance attached by individuals to the different spheres of activity, but the programme of the French Regionalist Federation combines all these aims. This programme, published in 1901 by M. Charles Brun, still succinctly expresses the objects of regionalism: -

"I. From the administration point of view:-

1. Division of France into homogeneous regions.

2. Creation of regional centres.

Administration of the affairs of the commune by the commune, of the region by the region, and of the nation by the State.

 Creation of a court of arbitration to take cognizance of differences between the individual, the commune, the region and the State.

"II. From the economic point of view: -

1. Freedom of communal and regional initiative.

2. Co-ordination of economic interests in each region.

"III. From the cultural point of view: -

 Adjustment of the educational system, primary, secondary and university to regional and local needs.

2. Development of individual work in letters, science and the arts."

Owing to its sponsorship by men like Charles Maurras and Maurice Barrès the movement gained a reactionary tinge, especially as it was associated with the desire to revive the provincial particularisms of the ancien régime, and it is probably true to say that the majority of its supporters have been of the Right. But among the advocates of regional decentralisation have been men like Barthou, Briand, Clemenceau and Poincaré. It has been estimated that by 1939 no less than 36 different schemes for a regional division of France had been prepared. In the period between the wars, these included parliamentary reports and drafts of legislation, among these the Hennessy Report of 1918 and two schemes in 1920 and 1921, sponsored by members of the Government. The numbers of regions proposed varied from 13 (Le Play) and 17 (Vidal de la Blache) to 32 or 34—the average being 22; the authorities proposed were equally varied—regional governors, councils or a mixture of both.¹¹

Most of these schemes rejected the department, both because it was considered an inadequate area for current needs, and on the grounds that it was an artificial creation, cutting across natural geographic, economic or traditional entities. Thus the geographer, Foncin, estimated that only six departments were really homogeneous units, 24 partly so, and the other 59 purely artificial groupings; he based his analysis on geographical, ethnic, economic and ecological considerations. ¹² A similar tendency to reject the department in place of a larger area is shown by the proliferation of ad hoc regional administrative divisions. First came three great sets of regions, which go back to Napoleonic

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times. For judicial purposes there are 27 Courts of Appeal, for military administration 18 military regions, and for education—including the universities—17 academies; it will be observed that none of these areas coincide. In 1918, 20 economic regions (yet another figure) were created, grouping chambers of commerce and also serving as areas for statistical purposes. In addition, the following were among the other regions created:—35 forest conservation districts; 23 districts for inter-departmental prefectural councils (tribunals of administrative law); 21 legions of gendarmerie; 17 postal regions; 16 social insurance regions; 16 mobile police brigades; 15 mineralogical districts; 14 agricultural regions; 14 prison areas; 11 labour inspection divisions; 10 weights and measures areas, etc.

Practically all these areas overlapped, and a single department might come under different centres for different services. Thus no less than 16 departments were in different areas for judicial, military, and educational purposes. An inhabitant of the department of the Ardéche, for instance, would have to go to Nimes for his Court of Appeal, to Grenoble for university and educational affairs, or to Marseilles on military business; if, further, he had a case on in a court of administrative law, he must go to the inter-departmental prefectural council at Lyons. In one case, this overlapping wrecked a scheme of regional administration. In 1926 the postal administration, previously administered on a departmental basis, was put under 17 regional directors; but in 1929 it had to be put back on a departmental system as the officials of other services found it impossible to find their opposite numbers in the postal administration organised in the new regions. 13

CHANGES DURING THE VICHY REGIME

After the defeat of France in 1940, the Vichy Government succeeded in retaining the loyalty of the prefects, who naturally looked to the Government at the centre for their orders, and by using to the full the hierarchical system the administration of Marshal Pétain controlled the life of the population in occupied and unoccupied France. But difficulties of communication, accentuated by the frontier between the two zones, and the large number of the prefects, led to the institution of regional prefecture to enable the Vichy Government to handle a smaller and more manageable number of immediate subordinates. "Owing to the number and complexity of current administrative problems the Government is experiencing increasing difficulty in directing the activities of its representatives (collaborateurs) who are both too numerous and too distant." The regional officials would act as "a co-ordinating centre for the information of the Government, for the expedition of certain business on the spot, and for the execution of Government directives . . . ; a certain number of prefects, chosen by reason of the towns in which they are stationed, will be designate as regional prefects for police and economic affairs. For these purposes there will be grouped under their authority departments which have mutual affinities because of their geographical situation, products and population." Two "intendants," for police and economic affairs, would assist the regional prefect, and the heads of other services in his department would act as regional supervisors of their own services.¹⁴ Six regional prefectures were set up in the unoccupied zone at Lyons, Marseilles, Montpellier, Clermont-Ferrand, Limoges and Toulouse. Soon afterwards, another eleven were established in occupied France at Orleans, Rennes, Angers, Poitiers, Bordeaux, Rouen, Nancy, Dijon, Laon and Lille. Although the regional prefects were originally intended thus to be limited in the scope of their functions, and merely to act as co-ordinators of their colleagues, they speedily acquired a superior status with wider competence. First, they received each the assistance of "préfét délégué"—another prefect to act as their assistant; this made the regional prefect a super-prefect, and one or two of them employed

the delegate prefect to administer their original department, thus freeing themselves for purely regional functions. ¹⁶ Next, there arose the practice of a monthly conference of prefects in each region, convoked by the regional prefect and with him in the chair. Further, he received the power to suspend all officials (even, presumably, other prefects) within his region. ¹⁷ Thus the exigencies of the situation resulted in the regional prefect exercising a wide competence over a sphere much beyond his originally designated functions of police and economics.

The armistice and the new régime did not put an end to the creation of ad hoc regional areas for special services, but—with the spreading grip of government over fresh spheres of human activity—saw a large increase in their numbers. New and overlapping regions were established for youth, sports, health, the family, industrial production, building, agricultural production, food control, etc. But services adopting a regional organisation after the institution of the regional prefectures adopted their areas, and this principle was even applied retrospectively to a large number of other ad hoc regions—particularly those under the ministries of Labour, Industrial Production, Food and Agriculture, and the Post Office. Finally, even some regional areas of long standing, like those of the gendarmerie or the prisons, were put into the framework of the regional

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Although the system of regional prefectures thus effected a very considerable measure of administrative deconcentration, it was regarded by its sponsors as a purely provisional measure to meet the special situation caused by the war. By the side of this short-term arrangement, the Vichy Government went ahead with a long-term programme for planning new organs of regional government and delimiting the form of the future regions of France. It will be recalled that the regionalist movement had received the especial sponsorship of Right Wing traditionalists and reactionaries—like Charles Maurras and Maurice Barrès, who looked to the regions to restore to the provinces of France the lustre they had enjoyed under the ancien régime. It was not therefore surprising that the institution of a provincial system was part of the reactionary programme of Pétain. In the broadcast he made on 11th July, 1940, laying down the basic policy he intended to institute for the regeneration of France through work, family and fatherland, he said that governors would be placed at the head of the great French provinces, and the administration would thus be "concentrated and decentralised." He returned to this theme in a speech to the Academy of Floral Games at Toulouse on 6th November, 1940, when he said: "The restoration of the provinces will, I trust, revive the old customs." He struck a more practical note in an interview he gave to the Press on 13th November, 1940, when he spoke of the provinces as being delimited on economic grounds. To implement this scheme was one of the first tasks of the Conseil National or Vichy "Parliament." It was ordered to appoint a special commission to report on the question of the division of France into provinces. This commission opened its sessions on 6th May, 1941, with 24 members, among them being the academician, de Pesquidoux, the political scientist, André Siegfried, and the veteran advocate of Regionalism, Charles Brun. Lucien Romier, a Vichy Minister of State, was chosen as chairman of the commission. The commission first drew up its geographical scheme of provinces, and then-in accordance with a directive from the Marshal-elaborated the constitution of the new provincial authority. The final report of the commission produced a list of 20 provinces, some modifications having been made after the first list was produced. The provinces, with their capitals, were to be Paris, Ile-de-France (Fontainebleau or Rambouillet), Flandre-Artois-Picardie (Lille), Normandie (Rouen), Bretagne (Rennes), Val-de-Loire (Tours), Vendée-Charentes-Poitou (Poitiers), Berry-Bourbonnais-Nivernais (Bourges), Limousin (Limoges), Guyenne-Périgord (Bordeaux), Béarn-Gascogne

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et Pays Basque (Pau), Languedoc (Toulouse), Bas-Languedoc-Roussillon (Montpellier), Provence (Aix), Dauphiné-Savoie (Chambéry), Rhône-et-Loire (Lyon), Auvergne (Clermont-Ferrand), Bourgogne (Dijon), Champagne-et-Lorraine (Nancy), Alsace (Strasbourg). The desire to maintain the traditions and names of the old pre-1789 provinces led to the clumsy double or triple-barrelled titles. The commission did not respect the departmental boundaries in grouping departments into provinces, and in 13 cases they underwent serious modifications. The provinces were to be under the administration of a governor, representing the Chief of State, and having wide powers. He would be assisted by a small executive body, and would control all administrative services within his province. He would have a council, nominated by himself from among the "spiritual, moral, intellectual and economic forces" of the province, to give him advice on financial matters and questions of general policy referred to it by him.¹⁹

LIBERATION

The provincial constitutions remained merely a paper scheme; the Vichy Government had not intended to implement them until after the war, and before that time they had ceased to be in a position to do so. But the system of regional prefectures persisted after the liberation. The French Committee of National Liberation adopted—as early as 10th January, 1944—an ordinance maintaining the system of regional prefectures after the reoccupation of France.²⁰ The duties of the regional prefects would be taken over by regional commissioners of the Republic, and the first of these was appointed for the Rouen area shortly after the landing of Allied troops in Normandy. With the reoccupation of the whole country, regional commissioners were installed in all the 17 areas of the regional prefects, and an eighteenth was appointed to take over the two Alsatian departments which had previously been under direct German administration. regional commissioners differed from the regional prefects in the fact that they were not gazetted as prefects of any department, but exercised their functions purely on the regional level. They acted as the link between local administrative organs and both the central government and the military authorities while fighting was still proceeding in France, and they then took their part in the urgent work of reconstruction and restoration of public services. They retained the function of the regional prefects of being the supervising and co-ordinating authority for all agents and officials of the central government within the region, and the assimilation of the areas of field agencies of the central government to those of the regions-begun under the Vichy régime-was maintained. The areas of the regional commissioners were slightly adjusted after liberation in order to bring them into line with the removal of the zone frontier between occupied and unoccupied France; this barrier had previously caused some unnatural groupings of departments in regional prefectures. One or two other improvements were made, but the regions were eventually fixed at the beginning of 1945 as follows:

Lille: Nord, Pas-de-Calais departments. Laon: Aisne, Ardennes, Oise, Somme.

Rouen: Seine-Inférieure, Eure, Calvados, Orne, Manche. Rennes: Ille-et-Vilaine, Côtes-du-Nord, Morbihan, Finistère.

Angers: Loire-Inférieure, Mayenne, Maine-et-Loire, Sarthe, Indre-et-

Poitiers: Vendée, Deux-Sèvres, Vienne, Charente, Charente-Inférieure.

Limoges: Haute-Vienne, Indre, Corrèze, Creuze, Dordogne. Bordeaux: Gironde, Landes, Basses-Pyrénées, Lot-et-Garonne.

Toulouse: Haute-Garonne, Hautes-Pyrénées, Gers, Tarn-et-Garonne, Lot, Tarn. Ariège.

Montpellier: Pyrénées Orientales, Aude, Hérault, Gard, Lozère, Aveyron.

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RECENT TRENDS IN FRENCH LOCAL ADMINISTRATION

Clermont-Ferrand: Puy-de-Dôme, Cantal, Haute-Loire, Allier.

Orléans: Loiret, Eure-et-Loire, Loire-et-Cher, Cher.

Chalons: Marne, Aube, Haute-Marne.

Nancy: Meuse, Meurthe-et-Moselle, Vosges.

Dijon: Côte d'Or, Yonne, Nièvre, Saône-et-Loire, Jura, Doubs, Haut-

Saône, Belfort.

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Lyons: Loire, Rhône, Ain, Haute-Savoie, Savoie, Isère, Drôme, Ardèche. Marseille: Bouches-du-Rhone, Var, Alpes-Maritimes, Vaucluse, Basses-Alpes, Hautes-Alpes.

Strasbourg: Haut-Rhin, Bas-Rhin.

The three departments of the Seine, Seine-et-Oise and Seine-et-Marneall in and around Paris—as well as the outlying departments of Moselle and Corsica were excluded from the scheme. These regions seem to be based on the positions of their centres, each of which seems to be roughly in the middle of its region: they thus present a contrast to the provinces designed by the Vichy commission, which were based on the old provinces. Further, the regions retain the departmental boundaries intact, while grouping the departments.

But the regional commissariats of the Republic were designated as being purely provisional, and they were in fact abolished in 1946. The Constituent Assembly agreed to the principle of their elimination, and this was effected by a decision of the Council of Ministers on 30th March, 1946.21 Will the precedent of the regional prefects and commissioners be followed in a future reorganisation such as is envisaged by Articles 75 and 78 of the second constitution? The situation is not quite similar to that of the British Regional Commissioners, who do not constitute a necessary precedent for local government reform. But in Britain the difference between a regional commissioner and a local authority is one both of area and of kind. In France, there is no contrast in type between a regional and a departmental prefect; it is merely a question of area. If the office were revived, it would require to be paralleled by an elected regional council. There, again, in France there is a favourable factor. In England a regional authority would require the subordination to it of the county boroughs. In France all communes form part of the department, and are represented on the departmental council-general. Thus the county-county borough situation would not in itself hamper the institution of a regional council in France. It is a question of the substitution of the wider area for the more restricted one. The department, as M. Joseph Barthélemy put it, "has never had a good Press," but on the other hand the regionalist movement has certain reactionary connotations. Yet the demand for larger areas of administration is as insistent in France as elsewhere, and the department cannot mobilise in its defence the support of the traditional associations of a historic unit, like the English county. The experience of regional administration which France has had in the last six years has at any rate, put a regional scheme of administration on the plane of practice, and, this backed by forty years of regionalist propaganda, and well as the practical needs of modern conditions, may influence decisively the future organisation of French administration.

Oxford.

NOTES

¹ Paul Deschanel "La Decentralisation" (Paris, 1895), pp. 6, 10-11.

² Between 1790 and 1800 there had been two temporary precedents for the prefectural m. Between December, 1793, and the revolution of Thermidor in the following year, tent national was appointed as governmental representative in each department. The an agent national was appointed as governmental representative in each department. The Directory also nominated a local person as commissaire in each department, to be responsible to them. But the prefectural system was established in its present form by Napoleon. For French local government in the Revolution, see the article by A. Cobban,

PUBLIC ADMINISTRATION

"Local Government in the French Revolution" (English Historical Review, Vol. 58, p. 13),

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Vichy "law" of 16th November, 1940. Vichy "law" of 30th March, 1941. Vichy "law" of 7th August, 1942.

⁶ The articles on local government in the constitution rejected by the referendum of 5th May, 1946, are Articles 111-116; in the second constitution, Articles 75 to 78. The Times, 28th December, 1945.

8 Article 78.

⁶ Particle 76.

⁹ Decree Law of 26th September, 1926.

¹⁰ Charles Brun "Le Régionalisme" (Paris, 1911) and "Qu'est-ce que c'est le Regionalisme" (Paris, 1936).

¹¹ For works on Regionalism, see R. K. Gooch "Regionalism in France" (1934) and an article by R. H. Soltau in "Economica" (1922, pp. 162-177). In addition to the bibliography there quoted, the following more recent publications are of importance, and being the information on the subject to the date. bibliography there quoted, the following more recent publications are of importance, bring the information on the subject up to date:—

Maurice Brun "Departements et Régions" (1939).

Joseph Barthélemy "Provinces" (1942).

Jean Bancal "Les Circonscriptions Administratives de la France" (1945).

See Foncin "Les Pays de France" (1898).

See E. Junillon "La Réforme Administrative" (Paris, 1945).

Vichy "law" of 19th April, 1941.

Decrees of 30th June, 1941; 26th August, 1941; 9th September, 1942.

Decree of 18th July, 1941; for this system, see Bancal, op. cit., pp. 198, seqq.

"Law" of 11th August, 1941.

18 The latter two services had to be co-ordinated with the intendants of police at the regional prefect's headquarters; the principal changes were made under a Vichy "law" of 25th August 1941.

²⁰ See letter of Pétain to Commission on Provinces, dated 18th August 1941. ²⁰ Published in the Official Gazette at Algiers on 6th July, 1944. ²¹ See "Le Monde," 30th March, 1946.

The Imperial Defence College

By T. S. CHEGWIDDEN, C.B., C.V.O.

HE year 1946 saw the re-opening of the Imperial Defence College (which, for obvious reasons, was closed down on the outbreak of war and its transfer to new and more commodious premises at Seaford House, Belgrave Square, London. The occasion may, therefore, be considered apt for a short account of the origin and purpose of the College.

Mention of the Geddes Committee on National Expenditure, appointed by the Government in 1921, is likely to arouse a variety of emotions in these days of enlightened financial theory, but surprisingly enough it is to one of the recommendations of that Committee that the College in fact owes its establishment.

The Committee came to the conclusion that by setting up a Ministry of Defence to co-ordinate the activities of the three Fighting Services, valuable economies would be secured. There were many both within and outside the Services who, for more progressive reasons, shared the view that such a Ministry was needed, as a constitutional and administrative expression of the interdependence of the three Services, which in their opinion was one of the major lessons to be derived from the war of 1914-1918.

Neither the bait of economy nor reformist zeal was able to carry the day against more orthodox opinion on the major issue, but out of the ensuing controversy there emerged a proposal to form a joint Staff College to train officers who would thus be suitably equipped to provide the staff for any future co-ordinat13).

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ing body for defence policy which might be set up. This proposal was net, however, immediately adopted, but remained a matter of discussion, even after a Sub-Committee of the Committee of Imperial Defence, presided over by Lord Halifax (then Mr. Wood), had reported in 1923 in its favour. The Sub-Committee took the view that while separate Staff Colleges for each Service were necessary to train officers in staff work and in the strategy, tactics, organisation and administration of their own Services, a college common to the three Services was desirable for the study of the larger problems of war.

After a gap of three years the Sub-Committee's proposals were in 1926 referred for further consideration in detail to the recently formed Chiefs of Staff Sub-Committee of the Committee of Imperial Defence. The Chiefs of Staff took the view that experience in the war of 1914-1918 had shown that imperial strategy concerned not only the Fighting Services but that its direction and application demanded the full co-operation of many civilian departments and the utilisation of all national and imperial resources. In other words, war was henceforth to be conceived as total, involving all aspects of national life as well as administrative problems of national, and even international, scope.

After a further period of gestation, a Cabinet decision authorised the establishment of the Imperial Defence College, which finally came into existence in 1927, four years after the report of the Wood Committee and six years after the original recommendation of the Geddes Committee, which is now to be given concrete shape.

The Charter of the College was wisely laid down in broad terms which have never since been altered. It is "the training of a body of officers and civilian officials in the broadest aspects of imperial strategy." Successive Commandants of the College have interpreted this formula in the wide sense intended by those who framed it. They have steadfastly followed the policy laid down by the first Commandant, Admiral Sir Herbert Richmond, who said that the function of the College was to study the problem of how the strength of that body of nations we call the Empire could best be developed in its defence, including not only the use of the fighting services in co-operation but also all those other elements which constitute the strength of this body of nations—economics, commerce, geography of manufactures, command of markets, etc. The object was to direct the minds of the students into wider fields than those of the operations of fleets, armies or air forces, and to train them to think in terms of the national strength in all its forms. They were not to concern themselves with the detailed planning of operations, but they were to be taught not only to recognise the interdependence of the Fighting Services, but also how the employment of those Services was related to the policy of the nation, and how it was affected by the problem of supply and the utilisation of the resources of the Empire.

It was decided at the outset that the length of each course at the College should be a year, and that the Commandant should be chosen from each of the Fighting Services in turn, and should hold office generally for not more than two years. The instructional staff, too, is appointed for a similar period and is drawn from all three Services. These arrangements have the great merit of ensuring freshness of outlook and close contact with recent experience and current developments of opinion in the Services. A defect, which was later remedied, was that there was at the outset no instructor who was competent in the economic and civilian aspects of the curriculum. These were dealt with at first by a visiting lecturer who took little or no part in framing the details of the course. A few years before the war this same lecturer became a full-time member of the Directing Staff and contributed handsomely to the compilation of economic information for the use of students, but he was handicapped by having had no

direct experience in the administration of the Civil Departments. This has now been changed by the appointment to the Directing Staff of a senior civil servant.

Students are senior officers drawn from each of the Fighting Services and from the Civil Service in the United Kingdom and in each of the Dominions. The actual allocation of the number of students from each country is settled by the Chiefs of Staff after such consultation with the appropriate authorities as may be necessary. The aim is to provide in each case for the adequate representation of all four services from each country, though the aftermath of war has so far prevented the full realisation of this ideal.

It may be inferred from what has already been said in general terms about the functions of the College that it does not concern itself with the study of detailed operational matters. That is for the various Service Staff Colleges. The Imperial Defence College, catering as it does for senior officers who already have a full grasp of their own special subjects and the considerations which affect their own branches of the Fighting Services, seeks rather to inculcate a sound knowledge of how those subjects dovetail into the complete national and Commonwealth picture. To this end the instruction given embraces:—

- (a) The higher executive direction of war strategy and administration.
- (b) Study of the organisation of the Fighting Services and of Civil Home Defence (in its broadest sense) from the national and Commonwealth point of view, and of the influence of political considerations on the conduct of operations of war.
- (c) Study of the scientific, economic, social, industrial and financial resources of the United Kingdom and the Commonwealth.
- (d) Visits to certain military, naval and air establishments, railway and industrial centres.

In order to ensure that their studies do not become academic and that the students keep their feet firmly on the ground, the course is divided into a progressive series of problems, leading up to the final consideration of the global problem of Commonwealth and Empire Defence. It is the principal function of the Directing Staff to devise these problems, to ensure that the students are provided with or have access to such information as may be essential, to arrange for appropriate expert lecturers, and to discuss and criticise the solutions propounded by the students. The lectures which are arranged as far as possible to bear directly upon the particular aspect of the general problem which is being studied at the time, are delivered by the best available authorities and are followed by discussions in which the students, staff and lecturer participate.

As part of the "broadening" process and because of the enormous importance which scientific and economic matters assume in total war, particular attention is paid to section (c) of the curriculum, which in one form or another occupies a major position in the whole course.

For the consideration of each problem the students are divided into groups or "syndicates" of six to nine members spread over each of the Military and Civil Services, and the personnel of the syndicates is changed for each problem. In this way the students are accustomed to keep in the forefront of their minds the principle of inter-service co-operation and the importance of ensuring that upon any given problem all points of view are as far as possible brought to bear. Not only so, but syndicate work encourages tolerance of the other's point of view, and gives the students an insight into the working of each other's minds, which may be invaluable later on when many of them may come together again to deal with the problems of real life.

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THE IMPERIAL DEFENCE COLLEGE

The purpose of the College being to broaden the outlook of the students, to give them a wider grasp of affairs, and to encourage habits of mind rather than the inculcation of a fixed technique, no attempt is made to provide "sealed patterns" of the solutions to the problems which are set. Originally it was the practice, after the syndicates had worked out their own answers, to "mark" their papers and provide them with a "Directing Staff Solution." This assumption of infallibility on the part of their senior colleagues is now justifiably considered not only to be unrealistic but to contain serious elements of danger when the students are in later life confronted by problems of a similar character. There can hardly be a more dangerous platitude than that history repeats itself.

Varying lengths of time are allotted to the study of each problem, ranging from two to four weeks, depending upon the nature and complexity of the question set. The aim is to give adequate time for the proper consideration of at any rate the major elements which go to make up a problem and at the same time to avoid producing a feeling of staleness and satiety by spending too long a time on the question. Moreover, the breadth of the field to be covered in the year's course precludes the devotion of more than a limited time to each part of it. This does not mean that the course is too short. But it does mean that the Directing Staff have the most important task of choosing as the basis of the problems which they set those elements which are of prime importance for the inculcation of the general principles which the College seeks to impart to its students, who are after all practical men for whom practical jobs are waiting in their respective Services. A longer course, by weakening the necessity for careful selection of the material to be studied, might lead to a more academic approach and a waste of time upon interesting but unessential detail.

It is not possible within the scope of an article of this length to give a detailed description of the work of the College and of the problems upon which the students have been or are now working. Nor perhaps would it be desirable to do so for other reasons. It is hoped, however, that enough has been said to give the general reader some idea of the scope of this most important and interesting

development.

Towards a Middle East College of Public Administration

By the Hon. EDWIN SAMUEL, Palestine Civil Service

THERE is great need of training for administration in the Middle East to-day. All the countries in that area—Egypt, the Sudan, Palestine, Trans-Jordan, Syria, the Lebanon, Cyprus and Iraq—are developing at tremendous speed. Any well-trained administrator is snapped up immediately in Government or municipal service, or in some large industrial or commercial undertaking. With the gradual withdrawal of British and French administrators, the opportunities offered to locally-born administrators have considerably increased.

For those in the Middle East who can afford it, a university training in Europe or the United States is the best method of acquiring the technical basis

for an administrative career. Three or four years spent in studying economics or history or law in Europe give a breadth of vision and an acquaintance with European civilisation that are essential to the administrator. If the candidate has the time and patience to go on to acquire a diploma in public administration, he is likely to receive a first-class job on his return to the Middle East.

There are, however, many who cannot afford an expensive university training overseas and who make use of the facilities already available in the Middle East. These consist principally of the Egyptian University at Cairo, instructing in Arabic; the Hebrew University in Jerusalem, instructing in Hebrew; and the American University at Beirut, instructing in English. None of these institutions, however, have a School of Public Administration; while the Hebrew University

has not yet established a Faculty of Economics and Political Science.

If a Middle East College of Public Administration is to be established, Jerusalem would seem to be the most suitable centre. Situated at 2,800 feet above sea-level, Jerusalem is more conducive to robust thinking than either Cairo or Beirut, which are hot and clammy throughout the long summer. Jerusalem is already a centre of research and of post-secondary teaching. Apart from the Hebrew University, there is the Middle East School for Arabic Studies, founded during the war by the British Government to train British administrators for service in the Middle East; the Palestine Government Law School and the Palestine Government Arab College for teacher training; the British Council's Institute for Higher Studies that takes Palestinian students to London University Intermediate level; the Jewish Agency's Economic Research Institute and its new Training School for Jewish Public Service, using Hebrew as the medium of instruction; the Jewish Community Social Service Training School, also using Hebrew; the Newman School of Missions which provides courses in the Arabic language for English-speaking missionaries and newly appointed civil servants; and a whole host of archæological and biblical research institutions, using English, French, German, Armenian, Italian or Russian as their main working language.

A Middle East College of Public Administration in Jerusalem would give a one-year's postgraduate diploma course in administration. The diploma course would be based on the London University syllabus and would involve the same number of hours of classroom attendance (240). The classes would be held four

evenings a week to enable students to attend who were already working.

The language of instruction in the College would be English, for a variety In the first place, it is the language of the Palestine Civil Service: then it is the common language of most educated Jews and Arabs in Palestine: it has gradually replaced French in most parts of the Middle East as the "window on Europe": and, lastly, it is the language in which most of the literature on administration is being written on both sides of the Atlantic, as well as in India, South Africa, Australia and New Zealand.

As a first stage towards setting up such a college, evening courses on a number of subjects of importance to the administrator have been in operation in Jerusalem for the past two years. They are all post-entry non-vocational courses, at university level. Vocational subjects, such as accountancy or stenography or even languages are rigidly excluded. All the courses are those which would normally find a place in a university faculty of political and social sciences. Subjects outside such a faculty—such as the sciences or literature are also not taught.

Nearly thirty courses have so far been arranged, each for six months. There are two terms in each year and, on the average, there are eight courses running simultaneously each term. No student may attend more than two courses at a time. Each course consists of twelve class meetings with a tutor at fortnightly Cla

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A MIDDLE EAST COLLEGE OF PUBLIC ADMINISTRATION

The courses so far arranged can be divided into the following main groups:-

A.—Pure Theory

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- 1. Logic.
- The Theory of Law.
 The Theory of Administration.
- The Rise of Democracy.
- 5. The Rights and Duties of the Citizen.
- 6. Economics.

B.—The Middle East and Palestine

- 1. The Geography of the Middle East.
- 2. The Modern History of the Middle East.
- 3. The Influence of Geography on the History of Palestine.
- 4. The Archæology of Palestine.
- 5. The History of Jerusalem.

C.—The Rest of the World

- The Political History of Modern Europe.
- 2. The Economic and Social History of Modern Europe.
- 3. The Modern History of the United States.
- 4. International Relations.

Other courses are planned on the following subjects:—

A.—Pure Theory

- 1. Philosophy.
- Psychology.
 Political Science.
- 4. The History of Institutions.

B.—The Middle East and Palestine

- Modern Egypt.
 The Lebanon and Syria.

- 2. The Coalon and Syria.
 3. Iraq.
 4. Turkey.
 5. The Cultural Development of the Middle East.
- 6. The Religions of the Middle
- East.

C .- The Rest of the World

- 1. The Cultural Development of
- 2. Current International Affairs.
- 3. Modern Russia.

The attendance at the courses, at present called "The Jerusalem Tutorial Classes," varies between 85 and 110. Nearly all the students have had a secondary school education; some have had the whole or part of a university education. About two-thirds are Jews and one-third Arabs, with a few Englishmen, Palestinian-born Armenians and Greeks. Eighty per cent. are men. The ages run from seventeen to fifty-five. The great majority are Palestine Government civil servants, mostly in the clerical grades, but including some teachers

- 7. Statistical Method.
- 8. Public Finance.
- 9. The Development of Scientific Thought.
- 10. The Importance of Scientific Re-
- 11. The Importance of Design.
 - 6. The Political History of Modern Palestine.
 - 7. The Economic and Social History of Modern Palestine.
 - 8. The Social Structure of Palestine.
- The Social Statistics of Palestine.
- 10. The Public Finances of Palestine.
- 11. Local Government in Palestine.
 - 5. Comparative Colonial Administration.
 - 6. The British Empire.
 - 7. British Institutions.
 - 8. The Economic Structure of Great Britain.
 - 5. Constitutional Government.
- Labour Problems.
 Economic Planning.
- 6. The Rise of Socialism.
- 7. The Architecture of the Middle East.
- 8. The Economic Statistics of Palestine.
- 9. The Agriculture of Palestine.
- 10. The Industry of Palestine.11. The Government of Palestine.

Modern Europe.

and policemen and a few members of the administrative class. Some twenty-one different Government departments are represented, as well as the Jewish Agency, the Higher Arab Committee, banks, the Municipality of Jerusalem, and some private enterprises.

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What are the motives which have induced these civil servants to devote so much time and energy to the study of such theoretical subjects? I think four distinct motives may be distinguished. First, the natural and praiseworthy ambition to rise from the ranks. Most of the students have not had the money to acquire a university education either abroad or in the Middle East; on the contrary, some have had to work as soon as they left school to help to support their families. If they are intelligent and hard-working they may, by accelerated promotion, reach the administrative class. By then they will have had much practical experience of administration. What they are trying to get now is the theoretical background.

Secondly, some particularly gifted students lack the self-discipline required to enable them to sit down and study in the evenings on their own, without guidance, after a long and tiring day. Or they do not know what books to read and where to find them. Or they have not got the critical faculties needed to assess the value of what they read. All of them lack the opportunity, so freely available in a university, of the clash of mind against mind through undergraduate discussion. In the Jerusalem Tutorial Classes they are introduced by their tutor to the proper books, told where to find them and how to read them. They are taught how to express their ideas logically both orally and in writing, and take part in class discussions.

Thirdly, there are students who have already had part or the whole of a university education and love learning for learning's sake and want to continue to study, often in a new field. Some have already studied the same subjects many years ago and want to bring their knowledge up to date. They have leisure time and want to spend it with books rather than on the tennis court or in the café or cinema.

Lastly, there are students with a social conscience. They feel that, as civil servants in a country which has not yet reached self-government, they have a moral responsibility as leaders of the community. They are interested in the problems of citizenship and feel that they themselves should be the first to be consciously educated for democracy.

To meet these varying needs the Jerusalem Tutorial Classes have adopted their own teaching methods based partly on those of the W.E.A., partly on the American university seminar, and partly on the syndicate method used in army officers' training schools. Except in some of the more abstract theoretical subjects, such as statistical method or the theory of law, there is little formal The students do all their reading at home. There are never more than twenty in a class, and these are divided into syndicates of two, three or four, each syndicate undertaking to specialise on one particular aspect of the subject. When that aspect comes up for discussion at a fortnightly meeting, one of the syndicate members presents orally before the class the syndicate's conclusions. The conclusions are usually in the form of an answer, lasting up to half an hour, to some broad general question posed by the tutor at the beginning of the course, to give a guide to the students' reading. During the second half-hour at each meeting, the tutor comments on the manner and matter of the syndicate's presentation of its conclusions, and adds fresh material of his own. The third half-hour is devoted to questions asked by any member of the class as a whole, which are answered, if possible, by the syndicate; if not, by the tutor.

Before the course begins, each tutor draws up a list of ten aspects of the subject and prepares one or two questions about each. These questions are cyclostyled and issued to all students at the first meeting, together with a list of the books available in Jerusalem on each of the aspects, showing in which public library they are to be found. At the penultimate meeting of the course, each student is invited to write an essay on some aspect of the subject: the essays are marked by the tutor and returned to the students at the twelfth and last meeting of the course, at which the best essay is read out to the class by the tutor with an explanation why it is the best. The main criteria are knowledge, originality and form; less attention is paid to grammar, spelling and handwriting, as English is not the mother-tongue for the great majority of students.

Since their inception the classes have been accommodated in the spacious and magnificent Y.M.C.A. building in Jerusalem. After the King David bomb explosion just opposite, the classes moved temporarily to another large building

nearby-an American Franciscan College for Boys.

Jerusalem is particularly lucky in having nearly a million books in its 34 public and innumerable private libraries. Nearly half of these books, in a variety of European and Semitic languages, are in the library of the Hebrew University. The Jerusalem Tutorial Classes have published a printed guide to these libraries and have made special arrangements with several of them so that students may borrow books without the usual formalities. The classes also have a library of their own for which the British Council has bought a considerable number of books. When I was recently in England on leave, I managed to buy over a hundred books on administration and the Civil Service as well as the whole of the back numbers of PUBLIC ADMINISTRATION (to which the classes subscribe) as well as all the back numbers of the Management Review. Several hundred other books, largely from America, are on order, as well as all the back numbers of the American Public Administration Review, of "Planning," and the pamphlets and wall maps of the Bureau of Current Affairs. It is probable that when all these books and journals have arrived, this specialist library on administration will be the most complete anywhere outside Western Europe and America. I should like to take this opportunity of thanking various people in England who helped me build up the list of books to be bought, in particular Mr. Chester, Miss Kemball, Colonel Urwick and Mr. Milward (of the Treasury Organisation and Methods Division), and the Librarian of the Management Library.

The tutors of the Jerusalem Tutorial Classes are drawn from the senior ranks of the Palestine Government, from the Hebrew University and from a variety of other institutions, as follows: -Palestine Government, 16; Hebrew University, 5; Jewish Agency, 2; one each from the Middle East School of Arab Studies, Government Arab College, Palestine Institute of Ethnology, United States Consulate-General; and 3 others. Of these tutors eighteen are Jewish, eight are Arab, three are British, and one is an American. The tutors are all busy men and have given their time largely out of public spirit. Some were interested particularly in the experiment of teaching mixed classes of Jews and Arabs through the medium of English. Incidentally, an experiment is being made this winter with correspondence courses in the Theory of Administration for civil servants living in Tel Aviv, Jaffa and Haifa. The tutors receive a small fee (twelve pounds for a course of twelve meetings) which is covered by the fees paid by the students (£1 4s. 0d. for each course). The courses were started with a gift of LP.100 from Sir Simon Marks and have been helped materially by a Palestine Government grant-in-aid of LP.100 for secretarial assistance in the first year and of LP.500 in the second year for secretarial assistance and the library. No rent is paid to the Y.M.C.A., and a great deal of the organisation

is done voluntarily by the students themselves. As a result the classes are in a flourishing financial position.

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The classes are under the nominal control of a Supervisory Board on which sit senior members of the Palestine Government Secretariat and Department of Education, of the faculties of the Hebrew University and the Government Arab

College, of the British Council and of the Y.M.C.A.

The students of the classes themselves take an increasing share of the responsibility for the organisation of the classes. A Students' Council has recently been set up, consisting of the Class Secretary of each of the eight classes, the Secretary to the Supervisory Board, the Librarian, the Editor of the Students' Quarterly Bulletin, the Secretaries to the Entertainments and Touring Branches, and their deputies, all of them students. In spite of the political tension in Palestine as a whole and the frequent curfews in Jerusalem, four documentary film shows, a concert of classical music, several guest lectures and various visits to institutions and sites in the Jerusalem district have been organised.

The next stage will, I hope, be the renting by the Jerusalem Tutorial Classes of a building of their own, as soon as accommodation is easier to obtain. Funds for its equipment have already been promised by a private benefactor as a long-term loan. By 1948 it should be able to set up the Middle East College with a diploma course for twenty students, with perhaps 150 part-time students. Ultimately, perhaps, a building will be specially erected for the College: but that is a dream for the future. Curiously enough, that future is not dependent on the political development of the country, as trained administrators are needed for

Palestine under whatever regime it may be.

Some Aspects of Canadian Government Accounting

By HERBERT R. BALLS

A DMINISTRATIVE and accounting officers of government, and students of public administration alike, have long recognised the need for complete, accurate and timely information with respect to financial transactions. However, in the determination of the method or system whereby such is attainable something less than unanimity has been apparent. The reason is that as precision and accuracy can rarely be achieved save at the cost of detailed and time-consuming analyses, the results have varied as the emphasis has swung from accuracy to speed. Generally speaking, there are two accepted accounting methods. On the one hand is the system of accounting known as the cash basis, and on the other is that system known as the accrual basis. Public accounts are kept on one of these two systems, or on some hybrid combination of the two.

The cash system has the great advantage of simplicity. Accounts may be closed with reasonable promptness at the end of the fiscal year, and the annual financial statements prepared with little delay. Information is readily available as to the collections under taxing and revenue acts, and as to the disbursements

¹This article is a shortened form of an essay on the subject which was submitted by the author for the Haldane Essay Competition.

from appropriations, but no provision is made for the production of data with respect to taxes and other revenues assessed or accrued, or to expenditure obligations unfulfilled.

The accrual system, on the other hand, is more complex. Its great merit is completeness, for it is designed to produce all the information with respect to financial transactions that is available under the cash system, as well as complete

data with respect to all sums receivable or payable.

The relative advantages and disadvantages of the cash and accrual bases of accounting are pertinent subjects for investigation in an inquiry into the method of recording the public accounts of Canada, but before considering these questions, a survey of certain aspects of the present accounting procedures of the

Canadian Government is necessary.

With respect to revenues, the directions are based on the twin propositions that every tax or toll should pass from the taxpayer into the national treasury without delay and that it should not be in the power of a collector to retain or divert any part of it under any pretence whatever. The main statutory direction may be found in section 102 of the British North America Act which provides that all duties and revenues shall form one Consolidated Revenue Fund. This is amplified and extended by the Consolidated Revenue and Audit Act. Section 3 provides that all public moneys shall be paid to the credit of the account of the Receiver General of Canada in such manner as the Minister of Finance directs to form the Consolidated Revenue Fund of Canada. Under section 4, every person charged with the receipt of public moneys must deposit his collections in such manner as the Minister directs, and must keep a cash book written up daily.

These directions are the principal statutory instructions with respect to the revenues. They are supplemented by certain executive orders designed to ensure that collections are brought promptly and fully to account. Treasury Board requires every collector of public moneys to make a deposit if his daily receipts amount to twenty-five dollars, or whenever that sum is on hand, and to furnish regularly to the proper department a return of his collections. The department in turn makes periodic reports to the Department of Finance where the revenues

collected are recorded in the official public accounts.

It is apparent that these provisions with respect to the revenues are designed primarily to speed the flow of the collections into the Consolidated Revenue Fund and to prevent any diversion. No statute prescribes a systematic recording of revenues accrued, but in many departments the day to day necessity of controlling the sale of goods and services and the collection of taxes has led to the establishment of memoranda records of moneys receivable. For official purposes, however, these revenues are accounted for in the year in which they are assessed or earned. Consequently, revenues accrued and not due, and revenues in arrears, are not included as assets in the Balance Sheet of the Dominion, and memoranda accounts of revenues receivable, when they are maintained by departments, are disregarded by the Department of Finance in compiling the annual financial statements.

Turning to the statutory directions with respect to expenditures, provision has been made for the appointment of a special officer of the Department of Finance with the title of Comptroller of the Treasury "for the purpose of maintaining more complete control over the administration of the Consolidated Revenue Fund." Section 27 of the Consolidated Revenue and Audit Act stipulates that all issues of public moneys shall be made under the Comptroller's direction, and that no issue shall be made unless he shall have certified that there is an available appropriation. Without adequate accounting records of the status of each appropriation, the Comptroller would be unable to give the necessary certificate. Consequently, he maintains current records of all grants of Parliament and of the moneys paid therefrom.

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In permitting payments from the old year's appropriations for thirty days after the fiscal year-end, section 26 of the Act effects a modification of the cash accounting basis and is instrumental in bringing into the year's transactions some of those expenditures which in a commercial enterprise would be carried to the balance sheet as accounts payable. Section 26 also provides that at the commencement of each fiscal year, all existing contractual obligations or commitments which are proper charges for the fiscal year shall be entered opposite each parliamentary appropriation or grant, and that similar records shall be maintained throughout the year. This commitment process, except in one important respect, is a close approximation of the accrual system. Throughout the year, obligations are recorded as they are incurred and cancelled as they are met, and the Government is continually aware of its unfulfilled commitments for the current financial period. But at the end of the year, no attempt is made to incorporate the outstanding commitments in the statement of liabilities. Although for contracts duly undertaken, obligations exist which should not be ignored and which in fact are accepted and entered as first charges against the comparable grant for the ensuing year, the present practice, for the purposes of the published statements, presumes the automatic cancellation of an obligation to pay with the lapsing of the authority to pay, and veils from legislative, if not administrative sight, the commitment position at the year-end.

It has been said that, as the business of government is continuous, no useful purpose is served by allotting to each fiscal year all those transactions which have their origin therein. Canadian revenue practice has been based on the acceptance of this proposition. Public revenues are defined by Canadian law to mean cash receipts, and on the assumption that current collections of previous year's revenues approximate and counter-balance uncollected current revenues, Canadian financial regulations have emphasised the receipt or collection aspect of the revenues. For so long as tax and revenue laws remain unaltered, and in so far as other conditions are unchanged, this is a well-founded proposition. But when tax rates are increased or decreased, or when economic or other influences are operative, the carry-over will vary from year to year, invalidating the assumption and weakening

the argument in favour of reporting revenues on a cash basis. There is another aspect of the problem. A revenue assessment is binding upon both the collector and the individual. A release from liability can be given only in circumstances and through channels designated by Parliament. However remote the prospects of collection may be, a receivable can be remitted or written off only when there is adequate authority to do so. If powers of remission have been delegated by Parliament to the Governor in Council or to a department, an order in council or a departmental order may suffice. But if no statutory direction is available, specific legislative sanction is necessary. Under the cash theory, uncollected revenues are not officially recorded in the accounts as assets, and there is no need to consider the treatment of bad or doubtful accounts. Consequently, no accounting problem arises. With the application of the accrual theory, however, revenue receivables are entered in the accounts, and the problem is to apply the principles of accountancy with due regard for the restrictions imposed by legislative authority on write-offs and remissions. If applied without regard to these constitutional limitations, the accrual system would prove deceptive, and it is proper that this fact be emphasised. However, if all revenue releases and remissions and all write-offs were regulated under legislative authority appropriate valuation reserves and allowances for doubtful accounts might be established in accordance with normal accounting practice, without sacrificing parliamentary control.

In providing a record of obligations incurred for the information of the executive, Canadian expenditure control practice has overcome the principal

disadvantages of a strict cash system. As complete statements of debts paid and debts to pay, and of moneys available to meet future debts, are furnished currently to them, executive and administrative officers may plan intelligently and within the limits of their spending authority. But if executive interests have been served by these concessions to the accrual theory, can it be said that the legislature has benefited to a commensurate degree? To no small degree it is true that every step which is taken to assist the executive in assuming its responsibilities with greater knowledge and with broader vision advances legislative interests. But the commitment information so placed at the disposal of the Government is not tabled before either House. Thus, while executive financial and budgetary programmes may be planned in the light of such data, parliamentary debate thereon can be founded only on a restricted knowledge of completed and reported cash transactions, and legislative decisions must be reached on this narrower basis.

In one other respect Parliament lacks a ready means of ascertaining if its appropriation controls are fully operative. The *Public Accounts* record past transactions and report on the application of grants. Over-expended and unused grants are duly noted. On behalf of Parliament, the Auditor-General scrutinises all transactions and reports to the House of Commons on the accounts. But in maintaining the record of commitments for the information of the executive on a memorandum basis only, a gap is left in the legislative bulwark against unsanctioned or improper practices. Without the formal and strict application of the commitment system, bills incurred for goods delivered and services rendered during the latter part of a fiscal year may be held over and charged to the appropriations of the succeeding year. For so long as this is possible, complete control is unattainable. But, if obligations must be recorded and charged in the accounts at the time they are incurred, spending agencies can be readily curbed in any campaign to obtain supplies or services in excess of current appropriations.

At this point, however, a qualification must be noted, for the application of accrual accounting to public expenditures is subject to a constitutional limitation. A government, unlike an individual, can repudiate a liability. Every commitment is subject to the qualification that it will be paid only if and when Parliament provides the money. Consequently, if all commitments made by the executive were recorded as direct and unconditional obligations of the government, the published statements would be inaccurate. However, by segregating those liabilities for which money is available from those for which money must yet be provided, the status of the legislature as the final arbiter in granting or withholding supply would be recognised, and a more accurate financial statement would result.

In recent years, an important development in public administration has been the increasing reliance of government on the corporate form of organisation for the management of its commercial enterprises. Although public corporations under Canadian usage are endowed with varying degrees of financial autonomy all are obliged to report periodically to Parliament or the ministry. Consequently it is at once an incentive to economy and a check to inefficiency, if operating results are accurately shown in the accounts. However, information regarding cash transactions will not suffice. A cash statement, as Paton has noted, "affords no information as to liabilities and other equities, and indicates the status of no asset other than cash." Systematic operating statements and comprehensive records of assets and liabilities are also necessary to serve as a basis for managerial decisions and to give the executive and the legislature a means of measuring the magnitude of corporate achievement and the capacity of corporate management. To these ends, accrual accounting is extensively used, and, as its application in

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this field is extended, the need for adapting the public accounts to the accrual basis becomes more evident.

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There is another aspect of public accounting which merits consideration. Efficient financial management requires the production of current and reliable data with respect to costs. In industry the need for cost records has been generally recognised. While the profit incentive does not appear in the greater number of government undertakings, the executive, as the trustee of the public purse, is necessarily conscious of the virtues of economy and is in constant need of some yardstick whereby the costs of government services may be measured. However, this requires the precise allocation of charges to the appropriate period to permit valid year-to-year comparisons. Without resorting to cumbersome statistical computations, accurate costing of services is impracticable while the cash theory is adhered to. But, even the application of the full accrual theory to the Canadian appropriation accounts would not be a complete answer, for other factors complicate the problem.

In Canada disbursements for public buildings and other capital works are written off directly to non-active accounts in the year of acquisition or of construction. Consequently, departmental appropriations for specific services are not generally charged for the use of capital assets associated with the services and the costs of the latter are necessarily understated. By adopting the practice of setting up as active assets those buildings and other works the values of which lie in the services they provide, and in the outlay they obviate, and by writing them down annually on an appropriate depreciation scale to the grant for the services benefiting therefrom, a more accurate cost record would be available and a truer statement of assets values would result.

To derive the full benefits inherent in the costing of government services, a comprehensive system of stores and inventory control is also needed. It is not enough to record when inventories are stocked or replenished, nor is it sufficient to charge service appropriations with the cost of acquiring stores. Inventory accounting should comprehend full information, not only of stores acquired and of stores on hand, but also of stores used during the accounting period and of the services benefiting therefrom. Moreover, it should be systematically applied, it should form a congruous part of the public accounting system, and it should reflect total, not partial, costs.

.The Canadian Government accounting system is an efficient one, and it serves both parliament and the executive well in their endeavour to protect the public treasury. However, the unprecedented, and as yet uninterrupted, increase in the scope of government activities has suggested that refinements in accounting practices are desirable, and has turned the thoughts of many to the question of how the taxpayers may learn whether they are receiving full value for their money. While most people will echo Oliver Wendell Holmes' striking words, "When I pay taxes, I buy civilisation," many will also wish to know whether they have received the greatest possible amount of that commodity for the taxes they have paid. In business, a constant review of results is carried on by means of intelligently designed accounts to the end that losses may be transformed into profits, and that profits may be maintained and increased. In government, the profit motive of the business-world appears as an incentive to economy, which should ensure that no more is exacted from the taxpayers than is necessary for the economical operation of the government services. It may be that the government is performing its duties with the utmost attention to economy, but without the aid of adequate costing data it is impossible either to ascertain the true cost of any branch of the public service or to compare the efficiency or the operating economy of that branch with the efficiency or economy of similar services in

SOME ASPECTS OF CANADIAN GOVERNMENT ACCOUNTING

business or other governments. Moreover, while valid criticism may be directed against uneconomic service operations on the basis of adequate cost information; it is only on that basis that uninformed criticism of economic operations may be answered and routed. In short, it provides both the means of eliminating waste and of justifying economy.

Without doubt the refinements necessary for the application of the theory of accruals to the Canadian public accounts and for adapting the records to the production of adequate cost data would cause additional work and demand the utmost in skill from accounting officers. The advisability of such an undertaking could only be determined by a careful comparison of the benefits to be derived with the additional expenses entailed. But it would seem that the advantages of accrual and cost accounting are sufficient to merit the serious consideration of all those whose interests, either as taxpayers or as public servants, are involved.

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Reviews

The Law Relating to Town and Country Planning

By Ivor Jennings. Second Edition by J. R. Howard Roberts. (Charles Knight & Co., Ltd.) 45s.

THIS edition of Dr. Jennings' book deals comprehensively with the present law relating to town and country planning, and includes as an appendix the Restriction of Ribbon Development Act, 1935, in view, as is pointed out in the preface, of its close association with planning. The new edition is required because, as the author points out, the conception of physical planning has changed considerably; a new Minister of the Crown has been appointed specially charged with these functions; and important legislative changes to give practical effect to the

new conception have already taken place in the last three years.

As the author recognises, a work on this subject written at the present time cannot, in view of the rapid changes in legislation, be up to date. Certain Rules and Orders mentioned in the preface were issued too late for inclusion; since the publication of the book the New Towns Act has been passed into law; an amending Interim Development Order has been made bringing the working of minerals under much fuller control; changes in the procedure for the acquisition of land have been made by the Acquisition of Land (Authorisation Procedure) Act, 1946; and further legislation is in contemplation which will make fundamental changes in the planning system under the present statutes. Nevertheless the book, written from the point of view of the administrator, should be, as the writer hopes, useful to those at present engaged in the active work of town The arrangement of the subject-matter in a text book dealing with so complicated a range of statutory provisions is of particular importance, and the arrangement adopted in this work is convenient. Part I deals generally with the history of planning legislation, and gives, so to speak, a bird's-eye view of the whole range of statutory provisions (at the time of preparation of the work) relating to town and country planning, including the Licensing Planning (Temporary Provisions) Act, 1945, and the Town and Country Planning Act, 1944, which contains important provisions for the redevelopment of blitzed and blighted areas. Following on this informative exposition of the general range of planning legislation, Part II contains the provisions of the statutes themselves, with full and useful annotations. The writer rightly takes the view that in the post-war period the control of interim development is second only in importance to the reconstruction of war-damaged areas, and all relevant provisions relating to this matter are brought together in Part III. The course taken in this respect should add greatly to the value of the book to all those at present engaged on planning work. The useful practice is adopted of setting out appeal decisions illustrating questions of principle. These are mainly decisions given by the Minister of Health, and unfortunately do not make reference to certain decisions of the Minister of Town and Country Planning which reflect the rather changed outlook on planning, since these have not been published in an annual report or otherwise. Questions of procedure are dealt with separately in Part IV of the volume, and this separation also assists the study of a complicated subject.

It can only be a matter for regret that, owing to forthcoming legislative changes, early and radical revision is likely to be necessary, despite the thought

and care which have been given to the present edition.

E. S. HILL.

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Democracy in France

By DAVID THOMSON. (Oxford University Press for the Royal Institute of International Affairs.) 10s, 6d.

This is a useful general introduction to the Third Republic. It covers a lot of ground; it deals, unlike some other introductions, with both institutional forms and social trends; it has appendices giving the texts of constitutional laws, some party programmes and the Armistice of 1940; and it has the fullest and best bibliography of any book on the subject so far published in this country.

Certain criticisms must be made. While the purpose is analytical rather than historical—an enquiry into "the working of democratic ideals and institutions in France during the Third Republic"—a fuller account of the times before 1870 would have been helpful. The accounts of parliamentary procedure, the machinery of law and administration and the Civil Service are also very brief. Mr. Thomson might have avoided some overlapping in a not entirely economical arrangement of chapters, and, in the space gained, have given more detailed accounts of

these other questions.

The book is at its best on the social background of the post-1870 period, and it emphasises well that the much-decried instability of the Third Republic had separate, although interlocked, constitutional and social causes. The first three chapters, on politics, social classes and the constitution, serve to give a statement of this point, and the next two chapters illustrate it. A final chapter deals with events from "the fall of France" to the beginning of the Fourth Republic. Unfortunately, as the book evidently went to press in January, 1946, it stops before the latest constitutional developments. It would be interesting to know what Mr. Thomson would now make in the way of concluding generalisa-Those he hazards are three: that the new régime will operate on a new social basis, that it will seek to secure a stronger and stabler executive, and that it will face squarely the challenge of "the modern, positive, 'social-service' On the first point Mr. Thomson has in mind a shift from the overweighting of middle-class and rural interests; but it may not be so true to go on to argue, as he does, that "the crucial test of the new democracy will be its skill and success in reconciling agricultural and industrial interests and viewpoints about the new order." The reconciliation of the extremes of Catholicism and Communism will certainly be as crucial a test. On the question of the executive power, two further generalisations might now be added: French parties have evidently not yet ceased to regard the constitutional as part of the political front, and the question of stability must still be separately considered at different levels. The two constitutional documents put to referendum in 1946 showed a considerable degree of abatement of extreme party demands between the first and the second, but it is yet dark how permanent a settlement this is, and how positive a spirit of willingness to work the new compromise pervades the country at large. Mr. Thomson's third generalisation raises few doubts; but it is clear that not all of the Frenchmen who might subscribe to it would mean the same by it.

Thanks must be given to Chatham House for sponsoring a book devoted largely to internal questions rather than to international relations as such. From some other of their recent publications we may perhaps deduce that this represents a settled policy. We have long been dependent on America for first-class introductory text-books on the political institutions of different countries. If Chatham House can help to develop a series of such introductions here, they will be doing a service. The American standard is high, in presentation, comprehensiveness and documentation. More paper and more funds may be necessary before we can attain it; but meanwhile a book like this is a very good beginning.

WILFRID HARRISON.

Training for Social Work

(Published by the Oxford University Press and Geoffrey Cumberlege for Nuffield College, 1946.) Pp. 63. 2s. 6d.

THIS pamphlet consists of two papers, one on basic training for all types of social work by Professor T. H. Marshall, and the other on training for social service as a branch of university education by Dr. C. Leubuscher. They were presented to a conference of representatives of the university social science departments and representatives of the official social services called by Nuffield College in 1945. Professor Marshall gives a few pages to the consideration of the social worker's function at the present time, but most of his space is devoted to the consideration of the sorts of academic knowledge which should be offered to social workers in their basic training by the universities. Considering the audience to whom it was addressed it is surprising how little attention Professor Marshall gives to the function of the social worker in public employment. That function is essentially the same whether performed for public or private employers, but this is a meaningless statement for most officials in the public social services and will remain so until an adequate theory of social work has been evolved by practitioners in the field. Officials cannot be expected to perceive for themselves that this is the crying need of social work to-day. What they can and do notice is such manifestations as the absence of technical literature, and the vague dissatisfaction with their profession and training which is widespread among social workers to-day.

Dr. Leubuscher has made a useful up-to-date survey of the training provided by the universities. It supplements in some degree the Ministry of Labour's rather unsatisfactory vocational pamphlet on social work. Investigating officers of the Assistance Board and vacancy officers in the Ministry of Labour, if they were interested, would here find a useful collection of facts on the academic side

of their job.

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The Incidence of Local Rates in Great Britain.

By J. R. HICKS and U. K. HICKS. (National Institute of Economic and Social Research—Occasional Papers VIII. Published by Cambridge University Press.)

WHILST many commentators have been busy with hasty pronouncements on our rating system, Professor and Mrs. Hicks have been quietly carrying out a series of statistical enquiries into the real working of this much maligned tax. Their soberly stated and carefully documented conclusions have been set out in three books, of which the present volume is the last. This volume also forms a sequel to "The Burden of British Taxation," by Professor Findlay Shirras and Dr. Rostas.

The authors came to the conclusion in an earlier volume that rates are a good *local* tax, and the factual studies which are the basis of this work have not disturbed their conclusion.

For the present volume the authors have made brilliant use of the enquiry made by the Minister of Health into gross values and rents (1938) and of the Minister of Labour's Family Budget enquiries (1937-38) supplemented by the results of such local enquiries as are available.

Aided by these various studies and a very small amount of intelligent conjecture, the authors estimate the extent of the rate burden in different parts of

the country, and in different sized towns. The burden is examined absolutely, and in relation to total household expenditure, different income groups being dealt with separately. The conclusions, like those in the previous volumes, are very much what those engaged in local government would expect, but for the first time they are established scientifically. Many of the conclusions are of considerable general interest, e.g., the relatively greater rate incidence in the northern divisions of the country, and the abnormally high incidence of rates on elderly working-class people. It is, however, comforting to read (page 39):—

"As a matter of fact, expenditure on house room goes on increasing further up the income scale than almost every other commodity taxed in the British tax system, so that the local rate is less regressive, taking its incidence as a whole, than most other indirect taxes."

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"Even so, and even in Wales, it does appear that for the average of working-class expenditure levels the rate is not a heavy tax. Rates take no more than 4.7 per cent. of expenditure in any population group. Only in five groups in England and three in Wales does the proportion exceed 4 per cent."

Professor and Mrs. Hicks are equally illuminating on the side issues, such as that of the economics of house ownership, though the social effects of this have yet to be fully studied. The authors face fairly the fact that rate poundages must inevitably rise; but even a considerable rise would not disturb the conclusions set out in the book.

There are two important lessons to be learnt from the researches of the present authors. The first is that the cure to the widely proclaimed ills of the rating system is not to end the system but to mend it—partly by reforms in the rating and valuation system, and partly by other adjustments in local government and in local government finance. The second is that there is ample scope for further studies, particularly local studies, into the incidence of rates. (Some of the authors' generalisations relating to regions cannot be applied too rigidly to individual towns in the region.) These local differences, so well known to practitioners in local finance, are only now beginning to achieve the recognition they deserve in writings on public finance. It is interesting, for example, to consider the very different rents being charged for the Government's pre-fabricated temporary houses in different areas. How do they compare with other rents?

Incidentally, some gaps in aggregate statistics were revealed by the authors' enquiries, e.g., there is no means of ascertaining at present what is the proportion

of the aggregate rates paid for the different classes of property.

As an antidote to current claptrap, and as an object lesson in the application of statistics to economic analysis, I doubt if the works of Professor and Mrs. Hicks are likely to be bettered.

A. H. M.

The Making of Scientific Management: Volume II, Management in British Industry

By L. URWICK and E. F. L. BRECH. (Management Publications Trust.) Pp. 241. 7s. 6d.

This is not really a book in the sense of being a continuous narrative. It is really a series of essays connected only by being about some aspect of management. The essays are somewhat uneven in quality, and now and again one gets the

impression that they have been written at different times, without very much regard to other essays in the volume. The essay on Robert Owen, headed "The Pioneer of Personnel Management," is largely taken from Owen's Autobiography and G. D. H. Cole's "Life of Owen." The one on J. Slater Lewis is very largely a précis of Lewis's book, "The Commercial Organisation of Factories," published in 1896, but as the book was certainly an interesting pioneer effort one is grateful to the essayists for dealing so fully with it. There is also a strange essay headed "The Acceptance of F. W. Taylor by British Industry (1895-1915)." "strange" because the one fact which emerges is that though Taylor had become known his ideas were by no means accepted. The veneration shown to Taylor by the authors both in this and the previous volume is touching, but it prevents their critical analysis of Taylor's contribution. In particular this chapter falls down on the explanation of the antagonism of the trade unions to Taylorism. To the impartial observer it is clear that Taylor pitched his claims too high. His method of measuring the work-load and his system for dividing the proceeds between employer and employee did not, as was claimed at the time, eliminate the need for collective bargaining. As G. D. H. Cole said in 1918, in his "Payment of Wages": "An hourly rate, or at least a standard of living, must be fixed or assumed before the Scientific Manager can set his system of payment to work and, as there can be no scientific method employed in fixing such a rate, the rate is essentially a matter for bargaining on a collective basis. This, indeed, is only another way of saying that scientific management has only devised a further method of payment under the wage system."

The authors have collected some interesting material together, which should stimulate further work in this interesting field. For there is still a great deal of exploring to be done, and the subject of Scientific Management and its development still wants pulling together, and, if I may say so, treating with scientific impartiality. And, as they are not mentioned by Messrs. Urwick and Brech, may I call attention to three early contributions: there are the chapters in Alfred Marshall's "Industry and Trade" (1918), which must be the first treatment of scientific management by an economist; there is the "Scientific Factory Management" (1919) of Mr. du Pré Denning, with his twelve laws for managers adapted from Haddock's "Business Power" (surely the page headed "Gentlemen Administrators" is an all-time high); and there is the classic book by David

Schloss on "Methods of Industrial Remuneration" (1892).

D. N. CHESTER.

Presidential Commissions

By Carl Marcy. (King's Crown Press, New York: Geoffrey Cumberlege, London.) Pp. 141, paper, \$2.00, 13s. 6d. net.

For some time the Royal Commissions of Great Britain have attracted the interest of American students of administration. Mr. Marcy, however, is the first scholar to investigate thoroughly the United States' equivalent, the presidential commission. His case for doing so is well grounded. From being an occasional device of government, the presidential commission has come to be, within the space of this century, a persistent, if not a universally accepted, piece of administrative machinery. When in December, 1945-January, 1946, the President, Congress, the C.I.O. and General Motors were locked in a parallelogram of warring forces it was largely over the powers, functions and findings of the President's "fact-finding board" that argument turned. A presidential commission had become,

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not for the first time, the crossroads of fundamental social and constitutional antinomies.

Mr. Marcy's study examines in turn the legal basis of presidential commissions and the methods of appointing and financing them. He goes on, in the second half of his study, to classify various types of commissions, and finally considers problems of their procedure. The legal basis of presidential commissions he finds in the President's constitutional obligations to "take care that the laws be faithfully executed" and to recommend to Congress "such measures as he shall judge necessary and expedient." He has no difficulty in showing that for the proper discharge of both these duties the President needs the power to appoint committees of experts to investigate and report. However, at the same time he brings us up against the problems which the institutional jealousy of Congress and Executive creates for the discharge of even such self-evident functions, by pointing out that Section 8 of the Sundry Civil Act of 1909 still debars the President from meeting the expenses of any commission unless its creation has been authorised by Congress. Although the ingenuity of constitutional lawyers has been busy drilling holes in this prohibition, it still remains as a serious restriction upon the President's powers.

In the second part of his study, the classification of commissions, Mr. Marcy has been less successful than in the first. With an Aristotelian zest he has divided presidential commissions into "fact-finding," "opinion-guiding," "executive," "advisory," and "co-ordinating." To these he adds two further types—"those created to investigate the process of administration" and "boards of inquiry." It is hard not to feel sceptical of the value of a comparative study of such heterogenous types. Mr. Marcy has really set himself an impossible task; it is little less than taking all those manifestations of the executive which find expression in committee form and trying to find common denominators for them and draw out meaningful conclusions about them. In the great majority of his cases the compittee form is an accident—the President might equally well have appointed one person to do the job, or, if he did not, it was from the limitations of one pair of hands—and it is the function that alone is important.

The last section of Mr. Marcy's book deals with procedure. He argues convincingly the case for informality and flexibility and, more controversially, arrives at the conclusion that "'fact-finding' commissions do not require compulsive powers." It would be interesting to know whether Mr. Marcy's conviction of the adequacy of "prestige" to draw forth witnesses and documents has survived the refusal of the General Motors Corporation in December, 1945, to co-operate in any way with President Truman's fact-finding commission on the United Automobile Workers' strike in their plants. It is probably true that such stand-offishness is a serious probability only when the commission, as in this case, is going to use its facts as the basis for a probably distasteful settlement, but in view of the considerable American employment of presidential commissions for just this purpose a more extended examination of this problem would have been useful—perhaps in connection with a specific investigation of the whole role of presidential commissions in labour disputes.

One thing indeed which emerges with considerable force from Mr. Marcy's description is the extent to which "solution by commission" has come to be a sovereign American administrative specific, the medicine prescribed for every disease from Prohibition to Pearl Harbour. Mr. Marcy exposes with patience and skill the harmful effects of this kind of indiscriminate prescribing, and shows that if the President's commissions are to command the respect which they deserve they must be employed only for those problems which will yield to that kind of treatment. They cannot resolve fundamental differences of interest or

PUBLIC ADMINISTRATION

party, and to use them as tools for such purposes is to blunt them for their proper employment. But Mr. Marcy also shows how, even within their proper sphere, presidential commissions are all too often casualties of congressional-presidential rivalry. Not all commissions have been made the subject of a congressional resolution excluding their findings from the mails "as obscene literature unfit for circulation." That was reserved for the Homes Commission of Theodore Roosevelt. But Presidents Hoover, Taft, and both Roosevelts found themselves repeatedly obstructed in their endeavours to obtain factual investigations of social and economic phenomena by Congresses which were convinced that the findings would merely be ammunition in the eternal warfare of executive and legislature. Thus for believers in the American separation of powers Mr. Marcy's informative investigation leads back to the old problem of devising techniques of co-operation or tricks of circumvention; for the sceptics it provides further evidence of the difficulties of combining such separation with adequate administrative efficiency.

H. G. NICHOLAS.

Training School for Public Service.

H. F. Alderfer.

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	Public Opinion and the Legislative Process.	Frank V. Cantwell.
	TVA.—State-Local Relationships - Preparation of the Local Budget - The Illinois Congressional Redis- tricting Case.	M. H. Satterfield. John A. Perkins. Franklin L. Burdett
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Recent Developments in the Work of the Civil Service Commission

By FREDERIC MILNER

WHAT THE COMMISSIONERS DO

THE Civil Service Commissioners were first appointed under an Order in Council of 21st May, 1855, and their main function at the present time, as defined in an Order in Council of 22nd July, 1920, is to test the qualifications of "persons proposed to be appointed to any situation or employment in His Majesty's Civil Establishments." They have statutory powers under a series of Superannuation Acts starting in 1859 and consolidated in 1935, which provide that no person (with certain exceptions) can become an established civil servant unless the Commissioners have issued a certificate of qualification in his favour. Since 1870 the normal method of entry to the Civil Service has been by open competitions conducted by the Commissioners, and regulations defining the conditions are issued for all appointments which are filled at regular intervals. Such regulations must be approved by the Treasury, but no Ministerial or other authority has power to overrule the Commissioners' decisions about the fitness of particular persons for particular appointments.

Apart from testing candidates for the Home Civil Service the Commissioners have conducted examinations for other branches of the Public Services. From 1858 until 1939 they held competitions for entry to the Indian Civil Service and qualifying examinations for Indian Civil Service Probationers. For many years they also held competitions for Colonial Service Cadetships in Ceylon, Hong Kong and Malaya and for appointments to the Indian and Colonial Police Services. The most important of their present competitions of this kind is that for the Senior Branch of the Foreign Service (which includes the former Diplomatic, Consular, and Commercial Diplomatic Services as well as the Foreign Office itself). They have been responsible for examinations for Army Cadetships since 1870, for certain Naval Cadetships since 1881, and for R.A.F. Cadetships since 1919, and these here recently been resumed. They also conduct examinations in languages for Interpreterships in the Navy, Army, and Air Force, the Forces Preliminary Examination, and a variety of other special examinations.

The Commissioners probably conduct a greater variety of examinations than any other examining body in the world. The candidates' ages range from 15 to 50, and the examinations from tests of literacy to competitions of high university honours standard. The subjects in which the Commissioners conduct examinations extend from English to Chinese and from Roman Law to Engineering. In the complex problems of the standardisation of marks the Commissioners have had unique experience.

The pattern of the Commissioners' work as the recruiting authority for the Civil Service may be defined briefly as follows:—

(1) (i) Under Regulations the Commissioners recruit for (a) the main "Treasury Classes," i.e. the Administrative Class, the Executive Class, the Clerical Class, and the Clerical Assistant, Shorthand-Typist and

Typist Classes, members of which are employed on common terms of service in all, or almost all, departments; and (b) Departmental Classes, such as those for Assistant Inspectors of Taxes, Departmental Class Officers in the Ministry of Labour, Officers of Customs and Excise, and Assistant Engineers in the Post Office.

- (ii) Where no formal regulations have been made the Commissioners are associated with the Departments in the selection of candidates.
- (2) The candidates may be Open Competition candidates, Limited Competition candidates, or Nominated candidates. Open competitions are widely advertised and are open to all who have certain qualifications; British nationality and age limits are always prescribed, but educational qualifications may also be included. Limited Competition candidates are commonly officers serving in Government Departments, either established or unestablished, who must comply with prescribed conditions. Nominated candidates are commonly members of minor grades recruited direct by Departments and submitted to the Commissioners for establishment if found satisfactory.
- (3) Recruitment may be by written examination only, by interview only, by written examination and interview combined, or by written examination and interview combined with other tests of personal quality.

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The written examination was the sole testing device used by the Commissioners for the first half-century of its existence, and the main lines of development were therefore (1) the increasing application of the principle of open competitive examinations, (2) the periodic adjustment of examination schemes to meet changes in the educational system. The written examination had, of course, the cardinal virtues of being impartial and impersonal, which was of particular importance as a guarantee that the bad old days of patronage had gone, and there was general satisfaction that the quality of the successful candidates was good. But in 1910 it was necessary to appoint managers of the new Labour Exchanges and a written examination was thought to be unsuitable for this purpose. Applicants who, on their paper qualifications, seemed promising, were therefore interviewed—at the rate of 200 in nine days. The same procedure was followed for the appointment of women officers in the Exchanges and for staff required under the National Health Insurance Acts. In 1914 the Commissioners still regarded the interview as a novel device for use only in exceptional circumstances, but from 1920 onwards it was increasingly used. An interview was included in the scheme for the Administrative Class and it became the standard method for the recruitment of scientific, professional, and technical officers, all the candidates with specified minimum qualifications, or alternatively, those with the highest qualifications, being interviewed by a board of three or more persons including a representative of the Commissioners.

THE POST-WAR PROGRAMME

On the outbreak of war in September, 1939, recruitment to established posts in the Civil Service ceased, and most of the Commissioners' activities were suspended. The post-war programme of recruitment to the "Treasury Classes" was, however, planned by a Committee of the National Whitley Council during

DEVELOPMENTS IN WORK OF CIVIL SERVICE COMMISSION

the war years, and the Recruitment Report of this Committee (Cmd. 6567) was approved by Parliament in December 1944. The main provisions of the report were as follows:—

(a) Normal recruitment should be resumed as soon as possible.

- (b) To fill the vacancies which had "accrued" during the war special reconstruction competitions should be held mainly for the benefit of those who, owing to the war, had lost normal opportunities of entering the Civil Service.
- (c) The reconstruction competitions should extend over a period so that the last man released from the Forces or other war service had as good a chance of success as the first.

(d) In each Class ex-Service candidates should be guaranteed a generous proportion of vacancies.

(e) Reconstruction competitions should consist of a written examination in general subjects, plus an interview for the Administrative and Executive Classes, and in each Class candidates should be required to possess certain appropriate educational qualifications.

(f) A number of limited competitions should be held to enable established

civil servants to gain promotion.

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The Commissioners arranged for reconstruction competitions for the Senior Branch of the Foreign Service, and for a variety of Departmental Classes on broadly similar lines.

NORMAL COMPETITIONS

Normal competitions for the Administrative Class, Foreign Service, and Special Departmental Classes cannot start until there is a normal output of candidates from the universities. These competitions are, of course, complicated by the retention of compulsory military service, but the Commissioners expect to resume one or more of them in 1948. Normal competitions have already been resumed for recruitment to the Executive, the Clerical and the Sub-Clerical Classes. In the Executive Class an interview has been added to the written examination, which is of Higher Certificate standard, and whereas before the war there were separate examinations for Clerical Assistants, Typists, and Shorthand-Typists, there is now a joint examination covering all these grades so that a candidate can compete for one or more grades at the same time; moreover, a candidate with no knowledge of typewriting may be appointed as a Learner Typist and trained in the Service. The supply of suitable candidates for the Executive, Clerical and Sub-Clerical Classes does not, so far, meet the needs of the Service in spite of special publicity measures. The fundamental difficulty is, of course, that the output of the schools at present is not adequate for the total requirements of industry, trade, and the professions.

RECONSTRUCTION COMPETITIONS

The Reconstruction Competitions, which began in August, 1945, fall into four main categories:—

(1) The Administrative Class and Foreign Service Competitions, consisting of qualifying written examinations followed by tests of personal qualities and final interview, appointment depending wholly upon the mark awarded by the final interview Board once the candidate has qualified in the written examination.

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(2) The Administrative Class Limited Competition, and Competitions for the Executive Class, Officers of Customs and Excise and Assistant Preventive Officers, consisting of written examination and interview, success depending on the sum of the candidate's score in both.

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- (3) Competitions for the Clerical Class and the Sub-Clerical Classes, consisting of written examination only.
- (4) Competitions for Scientific, Professional and Technical Classes, consisting generally of interview only, candidates being required to have specified qualifications.

There is no lack of candidates for the Reconstruction Competitions, except for the Sub-Clerical Classes. Service applicants who are still in the Forces have until 1 August of this year in which to apply, but there are already 8,000 candidates for the 700 appointments in the Administrative Class and Foreign Service, 17,000 for the 1,400 Executive Class appointments, and over 55,000 for the 25,000 Clerical Class appointments, and the "fields" for the Scientific, Professional, and Departmental Classes are generally adequate.

DEVELOPMENTS IN THE TESTING OF CANDIDATES

In their reconstruction programme the Commissioners have introduced a number of experiments in their methods of testing candidates. These are related partly to past experience, partly to the nature of the problem of reconstruction recruitment, and partly to recent developments in the field of personnel selection.

Whereas the Commissioners' written examinations are normally based on the educational attainments which might reasonably be expected of candidates at the various school or university leaving ages, the reconstruction written examinations are designed to test mainly native ability because the education of the majority of the candidates has been interrupted. They are broadly similar to some used during the reconstruction period following the 1914-1918 war, and consist of English, Arithmetic, a General Paper, and a General Intelligence Test. There are no separate pass marks in the separate subjects, and it is therefore possible to compensate for mediocrity in one with excellence in another. The English papers are designed to test the understanding and use of English, which are clearly of first importance in civil servants; the Arithmetic paper requires intelligence, reasoning power and accuracy rather than knowledge of method; in the General Paper candidates are call d upon to discuss matters of interest and importance at the present day; and the General Intelligence Test is intended to measure innate intelligence or mother-wit and to depend as little as possible on education or special experience. One of the main purposes of the General Intelligence Test was to give Service candidates who were "rusty" from long occupation on operational duty a fair chance to show their quality. The Commissioners used Intelligence Tests at certain Clerical Class Reconstruction Competitions following the 1914-1918 war, and follow-up work conducted by Professor Spearman showed a satisfactory degree of correlation between performance in those tests and estimates of departmental efficiency. During the present reconstruction period the Commissioners have had the benefit of the advice of Professor Sir Cyril Burt, who is their Psychological Consultant, and they had no difficulty in coming to the conclusion that there was ample justification for the use of intelligence tests for the Clerical and Sub-Clerical classes. It was not so easy to make a decision about the use of such tests for the highly selected field of Administrative Class candidates (all of whom are required to have spent at least one year at a university and to produce evidence of being of at least second-class honours degree quality), for candidates for the Foreign Service, the Special Departmental Class, and, to some extent, the Executive Class. The Commissioners therefore

carried out special experiments with university students, mainly women, who had applied for temporary administrative posts in the Civil Service, and with a number of temporary administrative assistants. The experiments could not be so thorough as might have been desired, but they showed that intelligence tests which spread university candidates over a wide range of marks, could be devised, and that there was a reasonable degree of correlation between performance in the tests and other criteria, including departmental reports. On this and other evidence it was decided to introduce intelligence tests for recruitment to the higher classes of the Civil Service. The complete validation of the tests must, of course, await follow-up work which will be done over the next few years. For the time being the Commissioners are disposed to take the view that, for candidates of this calibre, intelligence tests are perhaps more effective for eliminating than for selective purposes, i.e., that there is a greater probability that the candidate with a low score is a "dud" than that the candidate with a high score is a There has, however, been a satisfactory correlation between intelligence test performance and interview gradings.

The reconstruction written examinations are, of course, snapshots of the candidates' intellectual ability from a particular angle rather than cabinet portraits. But the Commissioners consider that a candidate who acquits himself well has something which is of value in a civil servant. A candidate for the higher classes may, of course, score high marks in the written examination but fail to secure an appointment because he is found to lack necessary "personal qualities." But analysis of results available has shown that the candidates selected for appointment to the Administrative Class and the Senior Branch of the foreign service have a substantially higher average score in the written examination (which is a qualifying examination only) than unsuccessful candidates. Another point of interest which analysis has shown is that the form of the examination does not place the older candidates at a disadvantage in comparison with the younger. The candidates may range up to the early thirties when summoned to examination, and before the examinations were started it was thought that the older candidates would be handicapped by their remoteness from formal education. In fact they do at least as well as the younger candidates, maturity compensating for " rustiness."

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The introduction of "tests of personal qualities" for candidates for the Administrative Class and the Foreign Service is undoubtedly the most notable development of the Commissioners' technique. The tests are analogous to those used by the Army in the War Office Selection Boards as a means of selecting candidates for commissioned rank, and the Commissioners gladly acknowledge their indebtedness to the War Office both for the general conception and for many of the details. The candidates who pass the qualifying examinations are summoned in groups of 24 to a "country house," where they spend 2-3 days, and during this time the Directing Staff study their behaviour in different situations. The tests are specially devised to meet Civil Service requirements and include written tests, individual and group exercises and informal interviews. method of personnel selection is fundamentally an extension of the interview. It is, in the Commissioners' view, simply a matter of common sense that if one can learn a certain amount about a person in an interview of up to an hour or so, one can learn much more by observing him, both as an individual and as one of a group of his contemporaries, over a period of two or three days. At the moment, however, the method is being tried out experimentally; it is inevitably expensive, and the Commissioners cannot yet say whether it is likely to become a permanent part of their testing procedure. The Civil Service

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Selection Board, as the residential centre is called, therefore acts in a purely advisory capacity. Each candidate must also appear before the Final Selection Board, consisting of the First Civil Service Commissioner, as chairman, and representatives of Government Departments and of the "outside" world (business, labour and the universities), and this Board alone has power to give final decisions. The Board has before it the report of the Civil Service Selection Board but also takes independent account of the candidate's record, his intelligence and personal qualities as shown in the interview, his performance in the qualifying examination, and reports which have been obtained from school, university, and military authorities and previous employers. The decisions of the Final Selection Board are commonly in close accordance with the recommendations of the Civil Service Selection Board, but there have been some divergencies of opinion, and in such cases the Final Selection Board's

decision is, of course, final.

A further development in the field of personnel selection is the introduction of what is known as the pre-board interview. This is an informal interview, lasting about an hour, between the candidate and one interviewer who supplies a full report for the information of the final board before which the candidate subsequently appears. The method was tried with success by the Colonial Office, before the war, in the selection of candidates for the Colonial Service, and the Commissioners use it for the Administrative Class Limited Competition and for a variety of other competitions; it was adopted for the special competition of 1946 for the appointment of Principals, the first time Principals have been recruited direct from outside the Service. The pre-board interview avoids one of the defects of the formal Board interview, which is that, however gifted or assiduous the members of the Board may be in making the candidate feel at ease, the atmosphere is formal; this may stimulate the candidate or make him unduly nervous and anxious, according to his nature; it may also cause him to play a part, to adopt an attitude, which partly masks his real character. Another advantage of the pre-board interview is that the Final Board has a good deal of information about the candidate before he appears, including "pointers" to qualities and defects, as well as details of his career and interests, and the members may concentrate their attention on particular aspects of his record and personality instead of having to start with nothing more than the bare facts of a curriculum vitæ, and a few testimonials. The Board knows, from the preboard interviewer's report, how the candidate behaved in the informal atmosphere of the pre-board interview, and can compare this with his behaviour before them. The Board also gains from the opportunity the pre-board interviewer has of going much more deeply into the candidate's career and of discussing topics much more fully than any one member of the Board would be able to do. The Board is thus better able to achieve the main object of all personnel selection—to estimate the significance of a candidate's past achievement in relation to the opportunities he has had, and to assess his suitability for the job in question and his capacity for further development. To the candidate the advantage is that he has two separate chances of showing his abilities.

The composition of Selection Boards for the higher classes of the Civil Service has been revised by the Commissioners. In pre-war days emphasis was placed on the contribution which could be made by men and women with wide experience of affairs outside the Civil Service. The present Commissioners ensure that their Boards include such members, whenever possible, and they also attach particular importance to securing outside "experts" on scientific and professional boards. But in the Commissioners' opinion the prewar boards did not include adequate representation of the "user interest," and

they now arrange for this interest to be represented by public servants, either in post or recently retired, who know precisely the sort of qualities which make for. success in the Service. There is, of course, no standardised type of human being for any particular appointment. In most of the higher classes in the Civil Service there is room for very different kinds of men and women; different combinations of the qualities needed are not only inevitable but desirable. But in any post certain basic qualities are required, and the man who in long experience of the Civil Service has known just what those qualities are, as embodied in civil servants he has known, may make a very valuable contribution to the decisions of a Selection Board. The danger is that whereas changing types of civil servants may be required to meet changes in the relation of the Government to the public, the representative of the "user interest" may be inclined to favour men of the kind who were more suitable in the past than they are likely to be in the future. The danger is not overlooked, and one of the contributions which representatives of the outside world may make is to ensure that the selection of civil servants keeps in step with developments outside the Service.

The Commissioners have also introduced special questionnaires for completion by referees of candidates. The purpose of these questionnaires is to elicit the sort of information which is of especial interest to the Commissioners and to reduce the referee's burden. Referees of Service candidates and of temporary civil servants are therefore invited to tick those of a series of sentences which are most applicable to the candidates. Referees are also invited to give a "pen picture," and the Commissioners must acknowledge the full co-operation

which they have received from referees in general.

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DEVELOPMENTS IN PROCEDURE AND ORGANISATION

The requirement of the White Paper on Recruitment that the Reconstruction Competitions "should extend over a period so that the last man released from the Forces or other war service has as good a chance of success as the first" has presented the Commissioners with a technical problem of some difficulty. Before the war an examination was held, the available vacancies were filled, and that was that. But each Reconstruction examination is one of a series being held over the whole reconstruction period, and the "accrued vacancies" have to be spread over the series. The Commissioners have therefore had to compute how many candidates at the early examinations in each Class might safely be declared successful, having regard to (a) the total number of vacancies to be filled over the whole reconstruction period; (b) the total estimated candidature; (c) the number of candidates attending each examination; (d) possible variations in the quality of candidates at different examinations in each class. Of these factors (a) has proved difficult because the last date for civilian applications was extended by successive steps from 1st December, 1945, to 1st January, 1947, and Service candidates still have until 1st August, 1947, in which to apply, and because, moreover, candidates who are unsuccessful at their first attempt have the right to submit a second application within three months of being notified of their failure at a first attempt. The problem has been met by declaring a certain number of candidates successful, and naming others as reserve candidates, whose fate would be considered in conjunction with the results of later examinations, the remainder being unsuccessful. By now, after much statistical enquiry, the Commissioners have been able to clear most of their lists of reserve candidates. The last factor (d) has not proved so difficult. Special arrangements were made to detect changes of quality in the groups of candidates examined at successive examinations; no great changes have been found, though there has been in some instances a slight decline.

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To give the Service candidates an opportunity of competing for appointments whilst still serving, so that, if successful, they would have a job in their pocket pending their demobilisation, the Commissioners opened overseas offices, shortly after V.E. Day, in India, Egypt, Italy and north-west Europe. These overseas offices have received applications, issued information, and arranged examinations, with Service collaboration, and about 4,000 Service candidates have now been examined at 50 centres reaching as far east as Hong Kong and Sydney. With the co-operation of the Foreign Office, examinations have also been held in Washington and San Francisco. Examinations at overseas centres have been held on the same dates as the examinations in this country, the same examination papers, sent out by air, have been used, and the work of the candidates has been returned by air to the Commission in London for valuing. In competitions in which there is an interview as well as a written examination, candidates who have reached the qualifying standard in the latter have been brought by air to London. The arrangements have been complex. One of the more difficult problems has been to trace candidates selected for examination, for several months may elapse between the date of a candidate's application and his selection for examination, and he may well have been posted to another part of the world. The overseas programme has, however, worked with remarkable smoothness; candidates' scripts from even the more distant centres have normally reached the Commissioners within three weeks of the holding of the examinations, and the only mishaps of any consequence have been the jettisoning into the sea of a set of examination papers by a transport plane before crashing at Penang and the theft of another in transit in the Suez Canal zone!

The increased pace of demobilisation made necessary a speeding-up of (a) the examination programme; (b) the issue of the results after each examination. The Commissioners' original programme, prepared on the assumption that the Japanese War would last at least until 1946 and that demobilisation would proceed slowly, was to hold two examinations a year in each class; but there are now three a year for the Administrative Class and four a year for the Executive Class and the Clerical Class. The numbers summoned have also increased; about 8,000 candidates are summoned to each Clerical Class examination, 6,000 to each Executive Class examination, and 1,500 to each Administrative Class and Foreign Service examination. The preparation of the results of examinations of this magnitude inevitably takes time, but here, too, speeding-up devices have been adopted. Before the war the Commissioners issued the results of their examinations in the form of printed tables, and until these were ready no information was available. One time-consuming problem is standardising the distribution of marks of the different examiners in each subject and ensuring that in the absence of special reasons for divergence the distribution of aggregate marks at each examination in the series is similar. But when the first examination in each Reconstruction Class had been held it was possible to say, before adjustments were made, that the "top slice" candidates with above a certain aggregate score were certain to be successful, or to qualify, if the examination was a qualifying examination only, and the "bottom slice" were bound to be unsuccessful, the position of the "middle slice" being doubtful. In their various competitions the Commissioners therefore now inform candidates by letter, as soon as possible, in which "slice" they are, and as soon as adjustments are completed the "middle slice" candidates are told, again by letter, whether they are above or below the line. When these letters are sent the enquiries into the character and health of the successful candidates, which are also necessary before certificates of qualification can be issued, are started, and offers of temporary employment, pending certifica-

DEVELOPMENTS IN WORK OF CIVIL SERVICE COMMISSION

tion, are usually made. In the case of classes for which there is an interview, interim tables of results are issued every fortnight or so, whilst the Interview Boards are still sitting, and again the necessary enquiries preliminary to certification and offers of temporary employment are made.

EXTENSION OF THE COMMISSIONERS' RESPONSIBILITIES

In the post-war period the Commissioners have become responsible for centralised recruitment to the new Scientific and Legal Classes of the Service, and to a wide range of professional classes, including accountants, doctors, engineers, and statisticians. Before the war civil servants of this kind were recruited on a departmental basis, the Commissioners sometimes being associated with the sifting of applications, and generally with the interview board. Salaries and conditions of service commonly differed from department to department, there was little possibility of movement from department to department after appointment, and prospects of promotion varied considerably. There was perhaps a tendency to require candidates to possess unduly specialised qualifications. The substitutions of centralised for departmental recruitment has three main advantages:—

- (1) The common salary range and common conditions of service and membership of a class which extends over the whole Service, associated with improved prospects of promotion, tend to improve the quality of the field of candidates;
- (2) If appointments for which basic qualifications are agreed are offered centrally at one and the same time, the field is larger and better than the sum of the fields which would be attracted by the offer of appointments in ones and twos by individual departments asking for more specialised qualifications;
- (3) The suitability of candidates for a greater variety of jobs can be considered at one and the same time.

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The Commissioners' responsibilities have been extended, too, by an increase in limited competitions for established civil servants which are, in effect, promotion examinations. Before the war there were several such examinations, the best known being that for members of the so-called "minor and manipulative" grades who wished to enter the Clerical Class. Limited Reconstruction Competitions for fixed quotas of vacancies have now been introduced for appointments in the Administrative Class and the Executive Class, and for Officer of Customs and Excise posts. In pre-war days established civil servants commonly sat for open competition for a higher class, being allowed to take the examination when up to two years older than candidates outside the Service. Limited Reconstruction Competitions were therefore necessary for the restoration of lost opportunities. because few established civil servants could be expected to have the educational qualifications required for the open reconstruction competitions (although they are of course entitled to sit for the latter if eligible and some have been successful). But apart from this, the principle of centralised limited competitions has now been accepted as preferable within certain age limits to departmental promotion, and it is intended that these limited competitions shall continue as part of the plan to give civil servants improved prospects of class-to-class promotion.

Another development is that the Treasury have informed all Departments that the Commissioners must be associated with the recruitment of all temporary civil servants if there is a possibility that those selected will later be submitted for establishment. In such cases the Commissioners are consulted about the terms of advertisements and are represented on the Selection Boards.

PUBLIC ADMINISTRATION

MISCELLANEOUS JOBS

In the Commissioners' work for other Departments there have been three main post-war developments:—

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- (a) They are the examining authority for the Forces Preliminary Examination, which is held twice a year and enables members of the Forces to acquire an educational qualification accepted for entry to the universities or the professions. The Service Departments arrange for the attendance of the candidates at centres all over the world, and up to 10,000 candidates may sit at any one examination.
- (b) The competitions for Cadetships in the Navy, Army, and Air Force have been recast and candidates who qualify in the written examination conducted by the Commissioners are summoned to tests of personal qualities conducted at establishments of the War Office Selection Board type. These establishments are conducted separately by the Service Departments, but the Commissioners have a representative at each and the overall responsibility for the selection of candidates rests with them.
- (c) Weekly written examinations of candidates for the Metropolitan Police Force are held, and the results of each examination are supplied to the Commissioner of Police within seven days.

PROGRESS AND OUTLOOK

Since August, 1945, 200,000 candidates have been summoned to written examination, and 140,000 have been examined. Many more thousands have been interviewed by Boards which the Commissioners have set up or on which they have been represented. The follow-up work which has now begun and which will increase can alone show whether the Commissioners have done a good job as well as a big job. It may well be that much of the experience being gained during the reconstruction period will have a permanent effect on methods of recruitment. Experiments will certainly continue. It is said that teachers, to do their work properly, must keep on learning: the Commissioners consider that that applies to them too.

The United States Civil Service in Transition¹

By KATHERINE A. FREDERIC

THE United States Government is moving into post-war adjustment with almost all positions in the executive branch now on a merit basis, although the Federal service is not yet a full-fledged career system. As a result mainly of developments since World War I, the United States Civil Service Commission is now officially concerned with many aspects of Federal personnel administration, extending from examination and placement to retirement.

¹ The factors selected for discussion and the opinions here expressed reflect the writer's views and not necessarily those of the United States Civil Service Commission.

UNITED STATES CIVIL SERVICE IN TRANSITION

Memories of war-time pressures, of failure to adapt quickly enough, and of action on best guesses as to what might meet a situation are still too vivid in the minds of many officials and employees of the Civil Service Commission to permit them the luxury of self-satisfaction over the Commission's war-time service to the Government. Moreover, the process of adaptation to post-war conditions is beset with difficulty for the Government as a whole, and for the Commission.

I.—AFTERMATH OF WAR

In Washington and throughout the United States this is a period of debate and of release of war tensions. This mood of critical inquiry and appraisal of alternatives is shared by Government officials and employees as citizens, and it affects them profoundly as public servants. It is in this atmosphere, before some of the larger issues are settled, that the civil service is being converted to a peace-time basis.

Uncertainties

Two of the larger issues being debated by political leaders and the public directly affect the future of the civil service; the size of the peace-time service

and the programmes on which Federal employees shall be engaged.

Public sentiment always favours the elimination of "excessive" government personnel, without the means of determining a satisfactory number. This attitude is reflected in, and no doubt also influenced by, the statements of certain members of Congress that drastic cut-backs are required. These would go beyond action already taken to fix personnel ceilings—originated as a war-time measure to conserve manpower, and to force cuts offsetting the cost of salary increases made in 1945 and 1946.

Dispassionate observers point out that Federal employment, after a war or other period of expansion, generally has settled at a level slightly higher than before, reflecting enlarged areas of governmental activity, and that unless there is sharp reversal of the trend, the number of Federal civil servants will fall to a point somewhere above the total of one million at the time a national emergency was declared in May, 1940. But individual employees are not necessarily reassured by facts as to general trends, and some with civil service status and

years of service already have been released.

A major cause of uncertainty would be eliminated if accurate predictions could be made as to what programmes will be authorised by the new Congress, elected in 1946. But debate on Capitol Hill, over the radio, in the organisations to which individual citizens belong, is often in such terms as these: How much of the housing, so urgently needed by returned war veterans, shall be provided by private industry, how much, or little, with public funds? Shall labour unions be regulated by the Government more than in the past? Shall subsidies to farmers be eliminated? Shall Government services to small business enterprises be reduced? Until such questions have been answered by the makers of public policy, many Federal civil servants will wonder what their employment prospects are. Moreover, decisions on specific programmes can have far-reaching effects upon the kind of person attracted to, or remaining in, the service.

Conversion to a Peace-time Basis

Even without precise information on the functions and size of the post-war service, administrative officials had to plan for prompt adjustment to a peace-time basis. The change-over has involved wide scale reductions in force, the restoration of persons who left civil service for military service, and arrangements to speed the transition process.

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Reduction-in-force regulations, formulated in consultation with the personnel officers of the various departments, were first issued by the Civil Service Commission in November, 1944. The regulations are administered by the departments concerned. Separations are made in the following order: Employees with appointments limited to less than one year, war-service appointees, persons with civil service status. Within each group some weight is given to relative efficiency and to length of service, but most to whether the individual is a veteran (i.e., an exservice man or woman)—by law, veterans have preference in retention; the highest retention preference is accorded to World War II veterans during the first year after return from military furlough. Unless an entire agency is abolished, the plan is applied over a wide competitive area within an agency so as to take into consideration the relative retention rights of all persons at a given grade level engaged in the same general type of work. It often results in extensive re-assignment of remaining personnel, and may undo the careful work performed by placement officers when individuals were originally selected.

Reductions in force and resignations have already eliminated from the Federal service a million and a half civilian employees. On 1st January, 1947, Federal employees at home and abroad numbered 2,277,000 as compared with 3,770,000 just before V.-J. Day. Many emergency war agencies have been terminated outright and others greatly curtailed. War-time bulges in regular departments have been reduced, but have been offset to some extent by resumption

of peace-time operations.

The complexion of the service has changed. By the 1st of January, 1947, 41 per cent. of the Federal employees in continental United States were ex-Service men and women, two-thirds being veterans of World War II. The proportion of women in the service had dropped to roughly 26 per cent., in contrast to the July, 1944, peak of over one million, which was then 38 per cent. of all employees. Other late entrants into the service, including non-veteran men, have also lost their jobs. While the Civil Service Commission has corrected discriminatory practices brought to its attention, the changed composition of the service is a natural consequence of the weight that the reduction-in-force plan gives to veteran preference, to tenure rights, and to length of service.

In March, 1946, temporary Civil Service regulations for the transition period became effective. These superseded the war service regulations, which had governed personnel actions since March, 1942. To enable the Civil Service Commission to concentrate on its post-war examining and other programmes, the operating departments made temporary appointments pending the establishment of Civil Service registers, and were authorised to engage in various activities normally performed by the Commission. By executive order of the President, the transition period ends 1st May, 1947. On that date the post-war Civil Service rules and regulations (which have been taken into account in this article) will

become effective.

II.—RESPONSIBILITY FOR PERSONNEL POLICY AND ADMINISTRATION

Changes in recent years have broadened the responsibilities of the Civil Service Commission and have drawn it closer to other agencies of the Government. While the relationships of the Commission with Congress, the Executive Office of the President, and other executive agencies continue to be affected by long-standing rivalries, there is, on the whole, increased co-operation in the formulation of public personnel policies and in personnel administration.

Developments of the past decade have been stimulated by the recommendations of a number of official and unofficial groups. In 1935 the Commission of Inquiry on Public Service Personnel issued a series of studies; in 1936-37 personnel organisation was scrutinised by the President's Committee on Administrative Management and by the Brookings Institution; early in 1941, after two years' study, came the report of the President's Committee on Civil Service Improvement. Far-reaching changes have resulted from investigations by committees of the House of Representatives and the Senate. Throughout these years, non-partisan civic and employee organisations have worked for reforms.

The cumulative effect of these and related developments is seen in the emerging role of the Civil Service Commission. In contrast to the period between 1883 and the early 1920's, when the Commission was occupied largely with its examining programme, it now performs various additional central personnel Authority in some instances goes back to the basic act, which directs the Commission to report to the President on general conditions; to maintain service records of Federal employees; to establish standards for reinstatement, promotion and transfer; and to furnish the public with information on the Civil Service. Under legislation enacted since the early 1920's, the Commission administers the Federal retirement system, the systems of position classification, salary standardisation, and uniform efficiency ratings. From the first, the Commission has administered veterans preference legislation and laws regulating political activity by Federal employees, but its responsibilities have been increased by later acts of Congress. The Commission also investigates and holds hearings on alleged violations of merit system principles and on a wide range of matters affecting the rights of employees.

Increasingly in recent years the Commission has taken the initiative in calling to the attention of the Congress situations requiring legislative action. Committee members look to the Commission for information and opinion as to personnel conditions throughout the Federal service, and have sometimes held the Commission responsible for matters over which it had no control. The attitude of committees of Congress has contributed to the concept of the Commission as the central personnel agency of the Government. The Commission should do more, in the opinion of a former Civil Service Commissioner, to supply Congress with organised material giving perspective, current analyses, acquaintance with administrative policies or insight into emerging problems. While some such information may be gathered by the enlarged staffs of congressional committees provided under the Congressional Reorganisation Act of 1946, the Commission appears to have a continuing responsibility here, distinct from the functions of the staff of a congressional committee.

The Civil Service Commissioners are directly responsible to the President. Subject to approval of the Senate he appoints the three Commissioners to serve at his pleasure without fixed terms. No more than two may be of the same political party. The Commissioners are responsible by law for assisting the President as he may request in the preparation of Civil Service rules, which the President promulgates. Executive orders on matters of personnel administration ordinarily originate in recommendations of the Commission. While Congress opposed recommendations of the President's Committee on Administrative Management in 1936 that Federal personnel functions be reorganised under a single administrator in the Executive Office of the President, there was no objection to President Roosevelt's establishing, in September, 1939, a Liaison Officer for Personnel Management within his Executive Office. The Liaison Officer is a staff assistant to the President, a channel for the transmission of information between the President and the Commission, and a point of contact on personnel

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matters with the executive departments and agencies. He has no authority to direct activities of the Commission On matters of major importance the Civil

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Service Commissioners confer directly with the President.

The Bureau of the Budget, staff agency of the President on the fiscal side, has the same power to raise or lower the budget requests of the Civil Service Commission that it exercises with respect to the budget of every executive agency. The Bureau has exerted a constructive influence over departmental personnel administration through its review of amounts allocated for personnel management. During the war the Bureau was made responsible by law for fixing the personnel ceilings of executive departments and agencies. The Bureau of the Budget reviews drafts of all proposed executive orders of the President, including those amending the Civil Service rules. The Commission and the Bureau co-operate where mutual interests are involved, for example, on some studies relating to personnel management.

Primary responsibility for day-to-day administration of matters affecting those in the Civil Service rests upon each department head and the supervisors at operating levels, advised and assisted by the agency personnel officer and his staff. Under the stimulation of the President and with the co-operation of the Civil Service Commission and department heads, personnel offices in the departments have grown in strength since approximately 1939. While these personnel officials exercise wide discretion in internal personnel management, they are responsible for maintaining standards set up by the Commission in certain fields.

The directors of personnel in the various departments and agencies plus representatives of the Bureau of the Budget and the Civil Service Commission constitute the Federal Personnel Council. By Executive order in 1940, the Council is a unit of the Civil Service Commission. Through regular meetings and the work of its sub-committees, the Council has contributed materially to improved personnel administration. Its proposals may be put into effect by action of separate departments, the Civil Service Commission, the Bureau of the Budget, or by executive order, as appropriate. The Commission regularly submits proposed new policies and programmes to scrutiny of the Council, and recommendations for legislation have originated in many instances with the Council.

In recent years the Commission has strengthened its internal facilities for study of emerging problems through management conferences of its staff and line officials and the creation of a small staff unit to study long-range policies. Several advisory committees, consisting of Government officials and distinguished private citizens, have been appointed, including committees on administrative personnel, on personnel in the social sciences and in the physical sciences, and a labour-management committee, the membership of which includes representatives of

major employee organisations.

While there is room for increased co-operation between the executive and the legislative branches in the development of over-all personnel policy, and for top-level co-ordination within the executive branch, the agencies concerned have been drawn into closer working relationships than ever before. Administratively, personnel matters from recruitment to retirement are recognised as parts of a single system. The effective development of this system depends upon co-operative action between the departments and the Civil Service Commission.

III.—Some Characteristics of the Post-war Service

The Federal Civil Service system differs in several respects from what it was before the war. The basic pattern derives from democratic concepts of the American people. It is a blend of the merit principle, on the one hand, and of elements which accord special consideration on grounds other than merit.

General Characteristics

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Examinations for entry are frequently open to persons ranging in age from 18 to 62 years, although for positions such as junior administrative assistant the upper limit is 35. Except in professional and technical fields experience can now be offered in lieu of formal education. This change is due largely to provisions of the Veterans' Preference Act of 1944. With minor exceptions, positions are open equally to men and women, without regard to marital status.

In examinations disabled veterans who pass have ten points added to their earned ratings and their names go at the head of eligible lists (except for professional and scientific positions above \$3,000); other veterans receive five additional points. Preference is also given to the wives of certain disabled veterans and to certain veterans' widows. Appointments of non-veterans to the departmental service in Washington must be apportioned among the residents of the states according to population.

While many people devote their working lives to Government service there is considerable movement in and out of the Government and from one department to another. The door is always open to recruitment from outside if persons available for promotion lack requisite qualifications. An administrative position at the head of a scientific bureau is usually filled by promotion of a person in the Professional and Scientific Service. In-service training is primarily a departmental matter, and there are only a few well-developed programmes. There is a uniform system of efficiency ratings, which thus far has not been entirely successful. A health programme was authorised recently by law.

Each position is classified on the basis of the duties and responsibility involved—without reference to additional aptitudes the incumbent may happen to have. Under the Classification Act of 1923, positions in Washington are divided vertically into five services: the Clerical, Administrative and Fiscal; Professional and Scientific; Sub-professional; Crafts, Protective, and Custodial; and Clerical-Mechanical. Each service is subdivided vertically to show specialized fields. Horizontal lines cutting across services denote levels of responsibility. Some services start and end at lower levels than others. The C.A.F. service covers the most levels, but it is paralleled above the clerical grades by the Professional and Scientific service, the highest position in each of these two services being at the same level.

The salary standardisation plan recognises in rates of pay grade levels and advancements within a grade. In 1945 and 1946, in recognition of higher living costs, salaries were raised except for those at the \$10,000 ceiling fixed by law. Employees lower in the scale received relatively greater increases. However, the purchasing power of Federal employees' salaries in December, 1946, was 15 per cent. below the level in August, 1939. The existing salary ceiling works a hardship on persons in the highest grades and probably makes Federal employment less attractive to some of the ablest administrative and professional people.

The jurisdiction of the Civil Service Act and Rules was extended by law shortly before the war to thousands of positions previously filled through partisan political or personal channels. Over ninety-five per cent. of the civilian positions in the executive branch are now in the competitive service. The exceptions are positions to which appointment is made by the President (including the Foreign Service), plus positions in certain agencies or categories specifically excepted by law or, as in the case of the Tennessee Valley Authority, under other merit systems.

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Regional Pattern

The posts of duty of employees of the national Civil Service have always been geographically dispersed throughout the United States and beyond its continental limits. Less than one-tenth of the Federal civil servants are employed in the departmental service in Washington, D.C.; the rest are located in field offices. The Civil Service Commission has fourteen regional offices, each of which now performs for Federal field establishments in its area services similar in most respects to those rendered by the central office to the departmental head-quarters offices in Washington.

War-time delegations gave greater authority to regional offices of the Commission in respect to recruiting and examining, approval of promotion and transfers and various other field matters. These delegations have been expanded as part of the post-war system. The arrangements will fail to accomplish their full purpose, however, unless commensurate authority to act rests in the hands of

field officials of operating departments.

Delegation of Authority

The post-war Civil Service Rules, recently promulgated by the President, delegate extensive authority to operating departments and agencies. This new pattern of relationships is followed both in Washington and in the field.

These delegations are made on condition that the heads of departments and their subordinates will adhere to standards of performance set by the Commission. The plan further provides that the Commission's newly organised Inspection Division will inquire into the manner in which the authority is used. The Commission reserves the right to withdraw authority in event of failure of a department to conform to standards. This is essential because the Commission has been charged with certain responsibilities by law; these it must either perform itself—the pre-war view—or it must assure compliance by others.

The authority delegated includes recruiting and examining for professional and scientific positions, to be considered below, and authority to act in various matters affecting employees in the service. In the latter category is power to make promotions and reassignments, to reinstate former Federal employees, and to employ a career civil servant by transfer from another agency after passing upon the individual's qualifications for the new assignment. Such personnel actions formerly required prior approval of the Commission. The Commission's inspectors will also check periodically to see that Commission standards are followed in the salary classification of field positions.

Examining Programme

Demobilisation of the men and women in military service proceeded during the fall of 1945 and winter of 1946. The Commission therefore considered it appropriate to launch its post-war competitive examining programme in the

spring of 1946.

In planning this programme, the Examining and Placement Division built on pre-war experience with various types of tests. The Division also had available qualifications standards developed during the war for many kinds of positions, which had been used to determine simple eligibility or ineligibility. Clerical examinations, continued throughout the war on an open competitive basis, yielded a body of standardised questions. Early in 1945 preparation of subject-matter tests had begun.

The post-war examining programme is being conducted partly by the Commission and partly by committees and boards of examiners set up under Commission standards in the various departments and field offices. The Commission has delegated authority to these committees to hold open competitive

examinations for scientific, technical and professional positions peculiar to a single agency or a few agencies. The thought has been expressed that in this way examining may become more realistic by being closer to the spot where placements are made. It should be recognised that the post-war examining load is so heavy that facilities of the Commission would be inadequate to conduct such specialised examinations with necessary dispatch. The Commission's inspectorate is responsible for seeing that examining standards, set forth in hand-books of the Commission, are adhered to, and that no discriminatory practices develop. Before the war the Commission drew on the assistance of specialists inside and outside the Government, but retained authority to determine ratings and to certify eligibles.

The second aspect of the post-war examining programme reserves to the Commission the holding of Government-wide probational examinations in all subject-matter fields in which many agencies have an active interest. Examinations have already been given for stenographers and typists, for junior professional assistants (with optional fields), for organisation and methods analysts, and other categories.

For the year ending 30th June, 1947, plans call for the establishment of more than 30,000 registers and the making of 631,000 placements, including about 27,000 registers and 590,000 placements in the field. About 40 per cent. of the placements will be made by the committees and boards previously discussed. At the earliest the post-war examining programme will not be completed before the summer of 1948.

These examinations offer opportunity to persons holding temporary or warservice appointments to qualify for probational appointment in competition with the returned veterans and other citizens who care to apply. No specific number of places is reserved for any of these categories, but non-veterans already in the service are given a slight advantage over other non-veterans in the consideration they receive for retention in their positions.

The combined effect of law and practice, now and in the foreseeable future, appears to be a service in which key positions are filled by experienced men and women, veteran and non-veteran, in the middle and upper age groups, with positions in the middle and lower grades held by younger persons who, in many instances, served in World War II. Prospective administrators and staff specialists may come primarily from the ranks of veterans. Opportunities open to women will probably be greatest in professional and technical fields in which women predominate, although women may continue to advance in administrative and other lines of work opened more generally to them during the war. The decentralised arrangements for recruiting scientists and professional people will, it is hoped, attract the outstanding men and women required by the Government in an age of increasing specialisation.

The Public Employee: Civil Servant and Citizen

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One accomplishment of the merit system has been the development of a tradition of political neutrality on the part of Federal civil servants. A distinction is made in law and regulations between the fundamental civil liberties of the citizen of a democracy, which are safeguarded, and activities improper for career public servants.

Federal employees, as well as officers of the executive branch, are governed by the constitutional prohibition against their holding membership in Congress, and by a general order that prohibits their holding office under a state, territory or local government. Civil servants are prohibited from using official authority to affect the results of an election, and must not take active part in political party management or political campaigns.

All civil servants retain the right to vote as they choose, to express political opinions and to make voluntary contributions to regular political parties.

Applicants for positions in the competitive service must satisfy the Civil Service Commission not only as to their professional or technical qualifications but also as to their good character and general suitability for Government employment. A new element was introduced by the Congress in 1939, when the Hatch Act prohibited the employment of any person who advocates or is a member of a political party or organisation that advocates the overthrow of the constitutional form of government of the United States. In administration the Civil Service Commission bases its decision on whether the evidence creates a "reasonable doubt as to loyalty." Persons connected with the Communist Party, the German Bund, the Fascist Party, or Japanese nationalistic organisations have been rated ineligible upon a finding of present membership or past affiliation where there was no clear showing of severance of connections. Supporters of civil liberties point out that "reasonable doubt" could be so construed as to discourage applications from liberals, To guard against this or other improper applications of the law, the Commission requires evidence that is substantial and offers the individual full opportunity to be heard.

The right of Federal employees to join unions has been recognised in law for the past thirty-five years, but employees are prohibited from striking against the Government. There are several employee unions, some exclusively of government workers, others affiliated with industrial or craft unions. Organisation is stronger in some departments or kinds of work than in others. Employee organisations have been particularly alert to protect members who allege that they have been discriminated against on racial, religious or political grounds. Since V.-J. Day unions have appeared in behalf of members to be dropped in reduction in force, but the machinery of appeal is the same, whether or not the employee is a union member.

IV.—CONCLUSION

The national Civil Service of the United States is in the midst of a difficult transition to a peace-time basis. There are indications that the Civil Service system may develop along lines marked out by the progressive policies and improved administrative arrangements of recent years—advancements stimulated in part by the Civil Service Commission but due in great measure to a spirit of co-operation among Federal agencies concerned with personnel matters. However, restrictive influences in law and in public attitudes are also at work. These could make it difficult for the Government to attract and to retain in the service men and women of outstanding competence. The post-war role of the Civil Service will be directly affected by decisions on issues now being debated by Congress and the American people.

Washington, February, 1947.

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American Government during 1946

By DON K. PRICE

THE United States Government during 1946 had to continue to deal with emergency problems, while at the same time it was reconverting its adminis-

trative machinery, like its economic controls, to the status quo ante.

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The immediate administrative results of this process of reconversion were discouragingly like those of 1919. The most conspicuous was that leading administrative officials—men in that undefined category, the administrative middle class between political appointees and routine civil servants that is almost peculiar to the United States—left the federal service in great numbers for business, universities, state or local government, or the professions.

This general drift away from government was somewhat similar to that which led to the "back to normalcy" movement of the 1920's. But there were important differences. By the end of World War II the federal government had several administrative anchors that had not been forged before 1919, and that promised to stop the drift sooner or later.

One was the fact that the civil service system had grown by 1940 to include virtually all the Executive Branch, excepting a few top political jobs, but including the administrative middle class—most bureau and division chiefs and the managerial aides to department heads. Another was the Executive Office of the President, which had been created only in 1939, but had already developed close ties with the budget, personnel, and administrative planning (organisation and methods) people in the various departments.

People in the administrative middle class come and go between the federal service and other jobs partly because of their guess whether a certain programme is going to expand and be interesting, or diminish and grow dull. The best barometer on the future of any programme is the Congress. The election of a Republican Congress has been disquieting, of course, to many officials who, regardless of their party affiliation, fear a change in policy. The new Republican chairmen of Congressional committees concerned with finance and appropriations, for example, began to talk in terms of reductions in funds that might be crippling. On the other hand, the new Republican chairmen of several subject-matter committees had already begun in January to protest that the President's Budget had cut their favourite programmes too severely.

The clue to an understanding of many administrative, as well as political, problems in America, is the Congressional committees. They, more closely than the executive department heads, resemble in function the members of the British Ministry. But they also resemble the members of the Imperial Conference of Prime Ministers in their freedom from control by a single tightly organised party, and in being responsible only to the geographic area they represent.

In 1946 the Congress took the first step toward tightening up its legislative organisation and procedure by enacting the Legislative Reorganisation Act. Under this Act, the number of standing committees in each house is reduced to make them correspond more nearly to the number and the respective responsibilities

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of the executive departments, each committee is given a full-time professional staff the members of which are paid nearly as much as the highest ranking civil service employees, and various routine matters which formerly were handled by private bills are now delegated to executive departments.

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At the same time the Congress did not alter the system of selecting committee chairmen on the basis of seniority of service, rather than for leadership on policy. The difficulties that may develop because a majority of Congressmen are of a party different from the President's are likely to be less than those that may develop because the majority party does not control its own committee The Congress struck out of its Reorganisation Act a provision to create a Joint Policy Committee of the two houses, which was intended by its advocates to co-ordinate the legislative programme. Moreover, the staff members of Congress and its committees and those of the executive departments still have to learn how to get along with each other in ways that will further legislative review of administrative policy, without interfering with the responsibility of the President as Chief Executive. It is probable that the Senate will preserve its members' right of virtually unlimited debate. It goes without question that the members and committees of both houses will retain the privilege—indeed, the normal function-of initiating both legislation and appropriations, of amending them in any respect, of prescribing administrative organisation and procedures by statute, and of questioning (before committees) not only department heads but also their civil servants. Whether the Congressional reorganisation will be extended to make the internal workings of the Congress more consistent and responsible, or whether it will be used only to give members and committees of Congress more opportunity for interference with the executive departments, is yet to be seen.

On the executive side the institutional machinery of co-ordination becomes especially important under a President whose personal and political hold over his departments is necessarily weaker than his predecessor's. During 1946 the President relied mainly on two instruments of administrative direction; the Bureau of the Budget and the Office of War Mobilisation and Reconversion. The Bureau of the Budget has established itself since 1939 as the most serviceable agency by which the President influences departmental operations. It not only reviews and revises the departments' requests for funds, but studies their organisation and methods of management, reviews for the President their proposed legislative recommendations (or Executive Orders), and exercises a variety of controls over their operations.

The Office of War Mobilisation and Reconversion, a wartime creation, dealt less with administration and more with policy. It was the President's main agent for resolving interdepartmental differences on current issues of policy or legislation. The President forestalled action by the Congress by abolishing the Office of War Mobilisation and Reconversion at the end of 1946, but took its head into the White House as his principal assistant. No one can say how soon something can be done to fill the role of the Office of War Mobilisation and Reconversion. It worked more directly with department heads on top policy questions than any other managerial agency in the American government. As a result of its experience—and of analogous experience with a few important interdepartmental committees during the past ten years, and with the combined boards and Joint Chiefs of Staff during the war—Washington is now bubbling over with talk about the need for an expanded White House Secretariat to help the President guide and co-ordinate departmental policies.

The most interesting experience with the use of secretariats and interdepartmental committees has been in the war agencies and in international affairs the two aspects of the Executive Branch in which the President exercised the greatest leadership. In the regular functions of government, interdepartmental committees on policy usually failed because a department head preferred to deal independently with a Congressional committee or the President rather than to come to an agreement with his colleagues—that is to say, with his jurisdictional rivals. Thus the preference of Congress for virtually independent committees encouraged the executive departments to seek a similar autonomy.

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Among the most influential interdepartmental committees now operating is the State-War-Navy Co-ordinating Committee, which brings together, in a committee and sub-committee system, three departments on the problems in which foreign affairs and military considerations relate to each other. Another and much older committee is the Executive Committee on Economic Foreign Policy. In addition, there are several committees, each of which covers interdepartmental relations in substantially the same field of interest as that of one of the subsidiaries to the United Nations, as, for example, the Air Co-ordinating Committee parallels the interests of the International Civil Aviation Organisation. The most influential of these committees is probably the National Advisory Council on International Monetary and Financial Problems, the only one created by statute. The department and agency heads on this Council determine the policies both for the U.S. Export-Import Bank, and for the U.S. members on the World Bank and the International Monetary Fund.

Thus the business of co-ordination itself has developed along functional lines in the U.S. government, from the bottom up, much in the same way as the United States support has been more effective for a number of specialised international organisations than it could be for the old League of Nations. In United States politics, the differences of attitude and interest are so great among various regions, and the legislative representatives of those regions so free of direction by national leaders, that a majority may well support each of a dozen activities severally which, if combined in a single programme, would surely be defeated. (The majority for each of the several activities would be made up, of course, of a different combination of minorities.) In American government it does not pay to put all your functional eggs into one philosophical basket.

We therefore have the lively spectacle of great plans for expansion in a number of agencies or social programmes while the government as a whole is in the course of a let-down. The Foreign Service is expanding with the hearty support of Republicans like Representative Dirksen of Illinois, from a party and region not generally considered to be greatly concerned with foreign affairs. Senator Taft, the strongest Republican in the Senate, is advocating federal grants for public housing, for welfare, and for education, with differentials to favour the poorer states—thus going further to the left, on some issues, than the New Deal.

After the immediate reaction of the first few months of the present Congress, it is quite probable that each function of government—including the social services—will find its supporters. The most difficult problem will be to develop the machinery for central executive direction in order to overcome the undisciplined tendencies of the Congressional committees, of the department heads themselves, and of such specialised career corps as the Foreign Service, the military services, the U.S. Public Health Service, to say nothing of groups of specialised departmental personnel that have their particularistic spirit even though they lack separate corporate identity.

While various functional groups within the government build up their own programmes and status, thus acquiring something of a proprietary interest in a public function, a great many private organisations are undertaking parts of public programmes. The Government Corporation Control Act of 1946 reduced some of the special privileges and status of the government corporations. At the same time, by special contracts and grants, many private institutions were being induced to join in a system to carry out governmental purposes.

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In the atomic energy business, for example, the new civilian Atomic Energy Commission began in 1947 to find out the details of the extensive empire of contracts between the Manhattan District (the code name for the sub-division of the Army Engineers that spent two billion dollars on atomic energy research and development) and industrial corporations, research laboratories, other government agencies, and universities. The Atomic Energy Commission drew its top administrators (none of whom was a party politician, none a lifetime member of the civil service, but all of whom had been in the government's administrative middle class) from the Office of Scientific Research and Development, the Tennessee Valley Authority, the War Production Board, and the National Housing Agency. Much of its programme will certainly continue to be handled through contracts with private institutions.

The support of scientific research, all varieties of political opinion now agree, has become a function of government. The job will be done partly by direct governmental operation, but largely by contracts with private (and state government) institutions. The contracts may be let by various types of federal agencies. There may be a new civilian agency, such as the Senate proposed in 1946 when it passed a bill to create a National Science Foundation, which (in spite of its name) was to be a part of the regular machinery of the Executive Branch. Or a great deal of basic research may continue to be supported by the Army and Navy, which have set up a Joint Research and Development Board to co-ordinate their research programmes, under the direction of Dr. Vannevar Bush, who headed the wartime Office of Scientific Research and Development.

The whole field of research and education is one in which the federal government may undertake some of its most interesting administrative programmes. The President now has three commissions exploring different aspects of this field: universal (military) training, higher education, and scientific research. On scientific research, the President's Scientific Research Board, while it is having some difficulty with definitions, is beginning to study the current programmes of research and development in the physical and biological sciences, which seem to be costing during this fiscal year something between a billion (i.e., a thousand million) and a billion and a half dollars, with the purpose of recommending a more balanced programme in the future.

In the federal government there has never been a barrier against the promotion of technicians and scientists to administrative positions; indeed, scientific and technical qualifications were the first to be recognised as superior to political influence as a basis for appointment. Thus economists and other social scientists, as well as agronomists and physicists and so on, were more likely in the United States than in Great Britain to move into top administrative positions. Moreover, scientists and technicians have always had free access to Congressional committees, to associations of their professional colleagues, and to the public press. These privileges have often (in the short run) been bad for administration, but they may well have led to a greater willingness to support and make use of research in governmental programmes.

In higher education the heads of important private institutions (e.g., Harvard University) are beginning to look to the federal government for more assistance for general educational purposes as well as for research. The U.S. Veterans' Administration is paying for the education of more than half of the two million men and women now attending colleges and universities throughout the United States. The new programme of training naval officers not only at Annapolis but by arrangement with private and state universities throughout the country, suggests that there will be a permanent increase in the influence of the federal government over the system of higher education in the United States.

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The use of private institutions through programmes of grant or subsidy is similar to the more significant system of federal-state-local co-operation through which most of the broad functions of government in the United States are now operated. Systems of grants-in-aid and administrative co-operation have been so extensively developed that the federal system in the United States is no longer one in which each level of government has its own functions and its own sources of revenue. On the other hand, the municipalities and the states no longer need to rely on constitutional definitions to protect their share of governmental opera-The influence of the states, for example, was great enough in 1946 to force the Congress, over the President's protests, to return to the states the operation of the Employment Offices. This service, which had been taken over by the federal government for direct operation during the war, was returned to the state governments, but the federal government, which has very limited supervision over the programme, pays its entire cost. Some of the fastest growing national programmes such as the promotion of air transport and the provision of airports and flight facilities—are largely under state and municipal operation, with federal financial

In housing the most influential federal official was the Administrator of the National Housing Agency, Mr. Wilson W. Wyatt, formerly mayor of Louisville, Kentucky. He resigned in 1946 after strong differences on policy developed within the Executive Branch. His position was rather weak because the National Housing Agency, which includes three federal agencies formerly independent of each other, was created not by statute, but by Presidential order under authority of a statute that will expire when the war is officially declared at an end.

The President, in order to make the National Housing Agency permanent, sought to make use of authority granted him by the [Executive] Reorganisation Act of 1945. Under this Act any reorganisation proposal which the President submits to the Congress takes effect in sixty days unless both houses vote against On the proposal to make the National Housing Agency permanent, both houses voted adversely even though the Senate had earlier passed a bill to do nearly the The significant difference was that the President's proposal, unlike the Senate's, would have given the head of the National Housing Agency clear authority over his three principal subordinates—and thus would have reduced their comparatively independent relationship with Congressional committees. While the Congress rejected the reorganisation plan on housing, it sustained (one house for, one against) two others. One of these included a great variety of minor measures; the other, by transferring certain functions to the Federal Security Agency, makes it more clearly the federal government's department of public welfare. It now includes the federal programmes of public assistance, the social insurances, public health, and education, all of which are administered by joint federal-state action.

The programme of hospital construction enacted in 1946 brought forth an old administrative issue; should private interests be given official powers in the conduct of a governmental programme? Under the Hospital Construction Act,

PUBLIC ADMINISTRATION

federal funds are made available to state and local governments for hospital construction. The construction programme, however, must be prepared in each state, and for the country as a whole, with the advice of (respectively) state and national hospital advisory committees. Moreover, the federal committee, which is composed half of hospital or medical men, has more than an advisory role; it is given a virtual veto power.

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A similar restriction on official discretion, but on an incomparably broader scale, was made by the Administrative Procedure Act of 1946. The Committee on Ministers' Powers may have stopped the crusade against the "New Despotism" in Great Britain; in the United States, the American Bar Association was more persevering, more effective, or less open to reason. The Act, which is a very much less drastic version of the bill which led President Roosevelt (on vetoing it) to order the creation of the Attorney-General's Committee on Administrative Procedure, still has administrators greatly worried. The Act lumps all the great variety of regulatory and adjudicative action under two headings-rules and orders. It provides that an agency cannot issue a rule except after giving interested parties notice and a chance to be heard. It requires orders to be issued (after a prescribed type of hearing) only by a hearing examiner who has heard the case in person, and who is appointed and promoted not by the agency in which he works, but by the U.S. Civil Service Commission. The bill, moreover, greatly extends the scope and the opportunity of judicial review. The long-range effect of this Act will not be clear until the courts have decided a great many doubtful questions. Some wit called the bill "an Act for the relief of indigent lawyers." At best, the Act will cause a period of disturbing uncertainty and cost the government considerable sums for extra personnel and procedures. At worst, it could cripple some important regulatory programmes.

There is little danger that the U.S. government will be paralysed by disagreement between the two major parties, or between the President and the Congress. The greatest difficulties are likely to come during the next few years, from statutes that, imposing rigid patterns of organisation and procedure, reduce the ability of the President or his department heads to direct their subordinates, and enable particular interests to block majority purposes.

The United States is the only great power that is generally making an effort to reduce the extent of central governmental controls over business corporations. Yet it would be a mistake to assume that the federal government is not accepting responsibility for the main aspects of the economic system. Although the Congress abolished the National Resources Planning Board in 1943 apparently because it suspected that the Board was engaging in economic planning, it declared in 1946 that it was

"the continuing policy and responsibility of the Federal Government to use all practicable means . . . with the assistance and co-operation of industry, agriculture, labour, and State and local governments, to co-ordinate and use all its plans, functions, and resources for the purpose of creating and maintaining . . . conditions under which there will be afforded useful employment opportunities . . . and to promote maximum employment, production, and purchasing power."

By this Employment Act of 1946, moreover, the Congress required the President to propose a specific programme for carrying out this policy, with recommendations for legislation, and it created in his Executive Office a Council of Economic Advisers to help him to do this.

The pattern of events during 1946 in the United States is easier to understand if we keep in mind the continuing aspects of American public affairs that are nearly unique—the personal leadership of the President, and the freedom of members of Congress to revise and amend his programme regardless of party lines. Equally significant, perhaps, and growing in importance in the administration of the federal republic, are these things: The way in which state and local public officials organise to negotiate with the federal government on national programmes which they help administer, the frequent transfer of technicians and administrators back and forth between governmental and private careers, and the abiding American faith in science and education.

Washington, January, 1947.

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Notes on the Governmental Executive: His Role and His Methods¹

By DONALD C. STONE

Assistant Director in Charge of Administrative Management U.S. Bureau of the Budget

GOVERNMENTAL executives—what they do and don't do and what they should and shouldn't do—have received their full measure of popular attention in recent years. They have been pulled apart and discussed pro and con. They have been demolished vocally; sometimes they have been given the stamp of approval. More often than not, however, these oral onslaughts have failed to take cognizance of the essential character of the executive job in large establishments. In the public Press, and even in the text books, such phrases as "delegation of authority," "sharply defined responsibilities," "elimination of duplication and overlapping" are worked over repeatedly to the point of weariness. In the public administration societies it is the old stand-bys of organising, co-ordinating, analysing, budgeting, controlling, ad infinitum, that get the spotlight.

Discussion focused in these directions often misses the crux of the problem the executive must solve if he is to be able to guide and direct his organisation so that it can carry out the programme for which he is made responsible. What does the executive have to do if his leadership is to be effective? How does he meet the limitations and obstacles that are inherent in most management situations? It is with this point, the position of the executive and how it is implemented, that I am here concerned. It is not the planning, development, and execution of programme that I propose to discuss, but rather the conduct of a large organisation in discharging its assignment.

There is, of course, no standard prescription, no patent medicine that can be given to the executive, guaranteed to solve all his problems and leave him free of frustration and dismay. The differences in individuals who find themselves in executive positions and the variations in the life cycles of organisations produce

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practically limitless permutations and combinations. The pattern is never the same, and only after penetrating inquiry of the circumstances in each case would a wise man undertake to suggest what might be required to assist the executive in establishing reciprocal relationships with his organisation.

A new organisation set up to perform an emergency function—a War Production Board, an Office of Price Administration—puts very different demands upon its executives than an organisation that has had time in which to mature its programme and develop its precedents and traditions-for example, the New York State Department of Education, the U.S. Forest Service, or the Cincinnati Public Works Department. Similar contrasts run through the entire catalogue of agency characteristics. Requirements differ in an organisation rendering a routinised service or engaged in a paper processing job such as the Postal Service or a dependency benefits office, from requirements in a planning or development commission. They differ within the life of an organisation, between the time when it is moving in an accustomed pattern and the time when external pressures or events are forcing drastic changes—the Department of Agriculture in the early years of the century and in the 1930's. They differ between an organisation in which activities are conditioned to a large extent by outside circumstances and one in which the product to be developed is relatively definitive and tangible the U.S. State Department v. the Railroad Retirement Board.

When the variations in the personalities of executives are intermingled with the kaleidoscopic aspects of organisation, the possible results become almost infinite. On the one hand, there are those who function by giving their staffs full rein and, on the other, those who believe in relying more on executive drive and push; the idea men and those whose expertness lies more in salesmanship and negotiation; the men skilful in legislative and public relationships and those whose forte is internal management; those with a great fund of administrative experience and those without. Both institutional and personality factors affect the sum total of what any organisation is and both must be taken into account in estimating what is needed to make the thing work.

We have had sufficient experience in analysing the variables, however, to have acquired some useful benchmarks. We have learned enough to know in a general way what is required if the executive is to be able to fulfil his role and what may stand in the way of success. It is in this context that I have assembled these notes in the hope that they might illuminate in some degree a few of the many facets of the problem of large-scale public management.

By large scale, I mean organisations of such size as to preclude face to face dealing by the executive with all of the constituent elements. Although there will be many modifications in the method of executive leadership between an organisation of 500 or 1,000 employees and one of 10,000 or 20,000 employees, the variations are not crucial for the problem with which I am concerned: how results can be achieved when the activity is of such scope that it is beyond the ability of the executive to keep personally in touch with all of its aspects or to apply his personal efforts to very many of its problems.

Much of what I have to say is true of any large organisation, public or private. In this discussion, however, I am directing my attention more specifically to the executive in the environment of the public service. By this I do not mean the Chief Executive: Mayors, Governors, the President, although many of my comments apply also to these top officials. What I am concerned with primarily is the number one man in an agency or department, or bureau or other major subdivision which presents the problem of leadership through an institutional framework.

The specialised conditions surrounding governmental programmes put extraordinary demands on their directors in terms of knowing how to weave the competing and disparate elements into a unified whole and producing an organisation capable of accomplishing its mission. Public pressures, the need to adjust to the views of legislative bodies, the rigidities in procedures attendant upon management according to law and executive regulation are elements present in any public service enterprise. All of these are related to that central characteristic that distinguishes executive positions in the public service from those in private management—the fact that the government executive is the guardian of the public interest and is accountable to the electorate, directly or indirectly, for what he does. This is very different from the concern for the public which the private executive has in relation to the marketability of his product and the good name of his firm.

In addition, many present-day governmental organisations directed toward mobilisation of the nation's resources for war and preparation of the United States for support of international commitments have inherent complexities in programme that are unique. The problems we have faced and are unstill facing in finding and developing sufficient executive leadership for these unstreadented enterprises are indicative of the need of further probing and further understanding of what it takes to bring the public service and the demands that are now placed upon it into balance.

THE EXECUTIVE'S ROLE

This discussion of the job of being a successful governmental executive is predicated on the assumption that the product of any organisation is an institutional product, not the executive's personal product. What the executive can accomplish—his impact on the organisation—at any one point in time is conditioned by the state of his organisation, and what he achieves is largely the product of his influence rather than his command. Therefore, in long-range terms, the job of an executive is to create an environment conducive to concerted effort in pursuit of the organisation's objectives. In short-run terms, his job is to know what is going on in the organisation and to be in a position to act on the issues which require his personal attention and still to retain sufficient freedom to deal with those outside his organisation—superiors, legislators, public. differently, the executive's job is one of maximising his influence throughout his organisation as distinguished from relying exclusively upon his formal authority and the power of command. A good many aspects of these propositions have been probed by others, notably by Mr. Chester Barnard in his numerous writings on executives and their work, and perhaps require no further comment. many quarters, however, these concepts seem to be insufficiently understood.

Whatever may be the notions of what executives do and how they do it, the bedrock fact is that the executive must rely on his staff for the achievement of his objectives. Most issues in his organisation will be settled without ever reaching him. And on those that do reach him his choice will generally be a restricted one. By the time a report or instruction has been developed, worked over, revised, reviewed, level by level, what finally remains for the executive to say in most cases is "O.K." He may be inclined to make some changes, but he will soon learn that something else will demand his attention before he is through. Unless what comes to him involves an issue of great importance, he will, therefore, frequently have to accept what he considers to be an inferior product. When the issue is a crucial one for the organisation's programme and involves high-level judgments on the consequences of a given course of action,

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the executive may be called upon to choose among two or three alternative solutions, but secondary questions are likely to have to go by the boards. Consequently, unless the executive's objectives are wholeheartedly accepted by his organisation, the chances that they will be achieved are problematical.

Failure on the part of the executive to seek aggressively his organisation's support may leave him in a precarious position. The forces militating against an effective working together toward a common goal are many and powerful in any large organisation: unreconciled points of view, tradition and routine, inertia, the distortions that grow out of specialist interests, personal ambitions. internal resistances singly or in combination can cancel out the executive's efforts. To be sure, some of the drives in any established organisation represent forces of stability that will keep the organisation running when there is no leadership and will save the new executive from many mistakes. Furthermore, the necessary adjustment of the executive to the facts of his environment can contribute to his development by increasing his understanding of how he can function in relation to what goes on around him. On the other hand, if the executive is entirely unsophisticated in the ways of institutional behaviour and does not consciously and continuously take steps to offset the divisive elements in his environment, he will find himself dominated by rather than dominating his organisation.

The executive is often seen as the man sitting at the top of the organisation possessed of a dangerous amount of authority, hiring and firing at will, whose every suggestion or order is responded to promptly and completely. This view reflects one of the greater misconceptions about the nature of executive work. The government executive may have a large grant of legal authority, but he will find that, in actual fact, it must be used in an economical fashion. If he lacks discrimination in the use of his power, he will debase its value and perhaps find himself impotent at a moment of crucial importance. He must guard against destroying the organisational support on which he must depend in executing his programme. As Paul Appleby has often remarked, the new executive in an organisation may fire a few persons but not very many. Reducing the point to an absurdity, he can't issue an order, "Now and henceforth all employees shall wear red neckties," and expect to get a response. By persuasion, by indoctrination, by leadership-in other words by influence-he may, however, be able to accomplish what he cannot accomplish by fiat. This is by no means a universally understood truth. There are too many executives who fail to recognise that because the members of their organisations are creatures of reason their positions would be strengthened if they bolstered their formal authority with the support that comes from conviction.

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I do not mean to suggest, however, that awareness of the importance of influence as a method of reaching institutional goals is strictly a milk-and-honey proposition of dubious effectiveness in moments of crisis. If the executive is skilful and knows how to establish his position, he can be the decisive element in determining the character of the organisation, and he can exercise his authority with telling effect when the occasion demands it. The point is he cannot "bull his way through" any and all situations; he cannot run against the tide of organisation opinion. He may buffet his way by sheer force on occasion or on specific issues, but if he does it too often he may pay for his gains by failure to carry his organisation with him over the long run.

I have already commented that the executive's job has to be viewed in longrange terms as well as on a day-to-day basis. His aim will be to use his own time and talents on the activities and issues that will contribute the most to the ve

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own the organisation's forward movement and to develop a supporting team to the point of optimum production. His success in reaching it will be, in important measure, determined by his success in developing a body of commonly shared ideas. This is a prerequisite if his staff are to have guide posts against which to judge their general direction and their specific actions and if he is to have some assurance of reliable performance. Without this kind of institutional environment, the executive will be unable to mould the organisation into something more than the sum of its parts. Furthermore, cultivation of such an atmosphere is essential if the members of the organisation are to have a sense of participation in an enterprise bigger than themselves and secure the satisfactions necessary to good staff work. Only then do the fragmented jobs that are the lot of most people in large organisations become a source of stimulation.

The importance of an institutional environment and of indoctrination in its meaning has long been understood by the Army and Navy, but in large part has been neglected by civilian governmental organisations. It has often been observed that indoctrination permits West Point and Annapolis trained men to function, and function well, even though the commonly accepted rudiments of good organisation may be missing in a given situation. Some of the civilian organisations such as the Farm Credit Administration, the New York City Police Force, and the Tennessee Valley Authority are conspicuous for their high morale—the natural by-products of a consciously fostered environment. More often than not, however, this basic source of organisation strength has been given too little attention by governmental executives in this country.

Awareness of the problem does not mean prompt solution. Almost any executive is likely to find that the contribution he can make to an organisation's environment can be made only over an extended period of time. Rapid adjustments, such as customarily take place in the Army and Navy at the outbreak of war, or in a relief agency in time of distress, are the exceptions rather than the The recently appointed chief of a Federal bureau with many years of tradition and precedent behind it has estimated that his job of redirection is at least a ten-year one. On occasions in the Federal Government when time considerations were crucial and other factors permitted, this problem has been solved by setting up a new agency, thus short circuiting the process of retooling a staff steeped in earlier programmes and methods. This is a principal reason why some of the new war agencies were set up to do jobs which on the face of it might have been assigned to existing agencies. Normally, however, a government executive is likely to find it necessary to work with what he inherits and to develop a plan of action that can be followed without too much disruptive pulling and hauling. This may mean focusing his developmental efforts on future rather than on current activities, so that the daily work of the organisation can move ahead with a minimum of uncertainty and interruption. What the executive accomplishes over the short run will depend upon the state of the institutional environment at any one time and upon the external circumstances affecting his programme. His day-to-day activities and decisions may be directly in line with his long-range plans or he may be forced on occasions to accept situations or proposals that do not measure four square with his ultimate objectives. Whether the executive's job is viewed in long-range or short-range terms, however, the ways in which he can seek to maximise his influence and close the gap between present reality and the ultimate ideal of smoothly integrated activity are the same. It is on these that I shall comment briefly for the remainder of this discussion.

PUBLIC ADMINISTRATION

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The executive's concept of what his job is and the way this affects the scheduling of his time and talents will be a primary factor in the results he secures. In large part this can be encompassed under the head of "operating at his proper level." In his book, Big Democracy, Paul Appleby develops the point at some length. By this he means that no head of a government department or other subdivision should do work or make decisions that should be the responsibility of officials at a lower level in the organisational hierarchy. Not only does this disrupt and confuse his subordinates, but it prevents the executive from doing what is properly his job.

Dealing with People.—The executive job is one of dealing with people, of judging, adjusting to, and working around personalities both inside and outside his organisation. This is at the core of the business of getting people to apply their energies in harmony with each other and getting things done. I recall the case of a city manager who was extremely unpromising at the time of his appointment. He had no apparent experience or interest in such matters as working out arrangements for delegations of authority or subdivision of labour, he probably had never heard of the follow-up principle, and he was completely baffled by theoretical discussions of management. He had, however, an abiding interest in people. He attracted people, and he had an uncanny sense of whom he could trust. Anyone looking at his organisation and how he functioned would say it couldn't work. But it did. He had a feeling for what it took to provide the cohesion and the central pull necessary for turning out services to the community.

This is in part a reflection of the fact that the executive should use a major portion of his time and talents in being the catalyst who assimilates and draws together the ideas of others, resolves lines of action, gets agreements nailed down, sees that action gets taken. He must develop and rely on his staff for the carry through on the specific elements of his programme and must carefully restrain himself if tempted to dip into technical work. If he does not, he will never have time for his part of the institutional job—the never-ending one of bringing about a consensus on the one hand and on the other of seeing that discussion does

not protract interminably, that something decisive happens.

In doing this, he will need to take care not to go off on his own without regard for his organisational resources. If he forgets or ignores his staff in the course of operations he runs the risk of dispensing off-the-cuff opinions which will not stand close analysis or making commitments which his organisation cannot fulfil, not to mention the fact that such actions leave the staff in thin air. Unfortunately, not all governmental executives are like the one who commented to me recently that he doubted that he crossed up his staff as often as they did him. There are too many who operate as if the chief function of staff was to keep the executive from the embarrassment of explaining away their errors. This can only lead to a frittering away of strength in checking up on many small and relatively unimportant episodes.

The public arena character of the executive's responsibilities will draw upon his resources day and night, and he will find that in varying degrees, depending upon his status in the governmental scheme of things, he will not be able to live his life according to his personal choice but must govern himself in the light of the demands upon him. Nor will he be able to compensate for this by pointing at the end of the day to specific accomplishments and saying, "I did such and such." He may be able to think of a number of things that his organisation did and how he tried to influence his organisation and perhaps provide the capstone to some enterprise, but he can't look upon the results as his own.

It is because of these characteristics of executive life and routine that the appointment of good technicians to administrative posts is often a failure. Unless the specialist happens to possess the rare quality of administrative aptitude he cannot be remade into an executive with satisfaction either to himself or his staff. Anyone who has observed governmental operations has seen many instances of the unfortunate consequences of moving to administrative posts persons who are first and last technicians—making a physician a public health officer, a design engineer a commissioner of public works, a social case worker a welfare director, a programme idea man in a Federal department an assistant secretary.

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Not as a Technician.—The need for the executive to eschew the technical and stick to the level where adjustments get made and judgments about the implications of surrounding circumstances are applied is one of the oft-repeated dictums of the public administration fraternity, but the point too frequently is over-simplified. For one thing the dividing line can never be determined with finality. The extent to which the executive concerns himself with specific issues will always be affected by such factors as the age of his organisation, outside circumstances, and the extent to which he may have to compensate for failures at lower levels.

In any event, the executive must know enough of the general field not to get lost in the labyrinth. If he does not know the programme at the outset, he must master quickly its major substantive elements. Otherwise he will be unable to command the loyalty and respect of his specialists and weld them together as a team. He must have sufficient understanding of the basic issues involved in his programme to be able to judge whether the necessary steps have been taken to arrive at a proper conclusion. In the early days of the Federal Bureau of Old Age and Survivors Insurance, for example, the way in which individual participants were to be enumerated and their accounts identified—now numbering approximately seventy million—was one of the major technical issues. With many contending proposals advanced, members of the Social Security Board as well as the head of the Bureau had to go into the problem sufficiently to be assured that the staff had developed the best answer.

The more background the executive develops with the passage of time, the more discriminating will be his judgments that have technical ingredients. He will learn to know when he should overrule his specialists (seldom on technical grounds) and how far he can rely on them, and he will know enough not to be cowed by them. Although the executive must be able to find his way among the technicians, his dominating concerns are more likely to be the non-technical factors affecting the resolution of a problem, particularly the general implications and potential outside acceptance of what is done. While the State highway commissioner, for example, will need to keep up with major changes in specifications or design which may become centres of controversy, he will find that his main headaches will arise out of such questions as the right of way for a road or the location of a bridge.

External Affairs.—This necessary concentration of the executive with what is feasible and with judging what is in the public interest should affect materially the amount of time the executive spends in becoming sensitive to and influencing the outside environment. It is the executive's job to cultivate relationships with the heads of other Government agencies, with members of legislative bodies, with private institutions, and with the public so that his staff will have a favourable climate within which to function. In this way, he can increase his awareness of the ways in which programmes and ideas must be carried out if they are to

be accepted. The job of running interference for his organisation is one that only the executive can do, and the effectiveness with which it is done will be a

significant determinant of what his organisation can accomplish.

His success in this part of his job will be affected in part by whether the executive confines his contacts to those that come to him or whether he consciously seeks to direct the character of these relationships. The Government executive too often restricts himself to persons of his own social background or of the particular group with which his agency deals. He needs to mix with those who are against as well as for his programme. If his agency's function is concerned with aids to business, he needs to understand the viewpoint of labour; if it is social welfare, he needs to mingle enough with the rugged individualists to see life from their angle. If his outside contacts are not well rounded or if he neglects them altogether, he may find that he will end up with a distorted view of the outside environment.

The executive's success in meeting these outside responsibilities will also be in part a by-product of his reaction to what his job demands of him as an The broader and more generalised it is, the more important it will be for him to know what is going on not only in his general field, but in the community, in the nation, and in the world. He will need to broaden his own horizons, stretch his mind, and develop new ideas from which his whole organisation can benefit. I know one Federal department head, for example, who met at regular intervals with people of ideas both inside and outside his organisation, thus doing comprehensively what every executive should do at least in some degree. As a basic minimum, he should find time to keep up to date on the journals and books that give perspective to Government enterprise, and I do not mean here administrative literature, important as that may be. If he lets himself become so preoccupied with his immediate problems that he fails to keep up with the life that is going on about him, he lets slip one of the best ways through which he can have an impact on his organisation—by helping to bridge the gap between it and the world at large.

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How HE SAVES HIS TIME

I trust these comments on the level of activity on which the executive's energies should be focused do not give the impression that all the executive need do is have a bit of insight into what is demanded of him and proceed forthwith. It will unfortunately be an inevitable part of his lot that people and things will press for his attention far beyond his capacity to deal with them. His life will be a succession of meetings, telephone calls, documents. He cannot escape spending appreciable time handling many problems which will seem small in themselves but which may have serious implications for the status of the organisation; persons who are not performing, staff troubles and worries, some aggrieved citizen, a Press release. Many persons outside his organisation will seek him out—citizens, legislators, newspaper men, old friends, ad infinitum.

Although he will need to take the greatest care not to appear inaccessible either to his staff or to those outside his organisation, he must face the very practical problem of deciding whom he will see and of maintaining a balance among the competing demands for attention. If he holds himself open to deal with any problem that comes to him he will become inaccessible to his operating chiefs and he will neglect his outside responsibilities. Decisions will be delayed. He will lose perspective both on his organisation and the world and will fail to provide the upward pull and unifying influence that his position requires. With a little firmness and careful planning, however, there are a number of steps he can take to conserve his time, and he can establish controls that will in reality

increase rather than decrease his accessibility.

Personal Staff.—Judicious use of personal assistants is one of the best of these. In a large department or office, the executive may have several such assistants. Secretary of State Stettinius, in announcing new appointments in the State Department recently, designated fifteen persons to various types of assistant positions, in addition to the regular staff officers of the Department. For some of these, special areas of concern were indicated, e.g. International Organisation and Security Affairs, Press Relations, Broad Management Matters; for others no special assignment was mentioned. This is probably far too many for the ordinary situation. The city manager of a city of 50,000 inhabitants, the head of a department of a medium-sized State, or a Federal division chief, for example, may find that a single administrative assistant will be sufficient.

One of the most important uses of the executive's personal staff, including his secretary, is in meeting the problem of seeing people. They can help him arrange his calendar, determine whom he should see, control the length of time he spends with visitors. They can frequently do much to satisfy those whom the executive is not able to see or arrange for their business to be disposed of by other officials. To meet the needs of subordinates they can often secure spot information or decisions from the executive. They can arrange meetings between the executive and persons both within and without the organisation according

to relative urgency.

The personal staff can also help identify the most pressing problems requiring the executive's attention and can pave the way for their speedy disposition by being sure that all necessary information is at hand and in order. They can sometimes pinch hit for the executive on spot jobs. They can give assistance in writing speeches and articles and can accompany him on trips when they can be useful. They can keep him up to date with what is going on. Sometimes one of them serves as an intimate advisor and will help select key officials and evaluate the performance of subordinates who seem to be falling down on their jobs. Obviously, each of the executive's personal assistants is not assigned to all of these tasks, as there will be specialisation among them. But until his immediate office is staffed with aides who can do some or all of these things for him, he will be unnecessarily handicapped.

On the other hand, he must guard against overdoing it. A large number of personal assistants may mean that there are deadheads or blanks in the organisation for whom the executive is seeking to compensate by increasing his personal staff. This can only muddy up the regular lines of communication and command and cause confusion in his organisation. Personal assistants can also be a source of uncertainty if the executive fails to define their jobs so that their roles are

understood by the rest of the organisation.

An executive's personal assistants must not function as palace princes, accessible in varying degrees to other organisation officials and pleading the cause only of favourites. They must be the same to all men, and the executive must kill any tendency to manipulate the organisation or to afford an entrance through the "back door." Equally fatal is reliance on them by the executive to the point that his outlook becomes limited and warped.

Operating Aides.—In addition to what the personal staff can do to save the executive time and energy, there will also be need in any large organisation for the kind of assistants who can share his principal operating burdens. If the executive chooses such aides judiciously he can compensate for talents which he may not have and multiply several times the impact of his leadership.

If the job of the executive requires a high level of public leadership, extensive dealing with a legislative body, a large number of outside contacts, or the devotion of much time to evolving a programme or to negotiations with other executives,

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or if his talents do not lie in the management of an organisation, a general deputy responsible in the line of command for internal administration will be needed. A permanent deputy position is likewise desirable when the executive post is one that changes with political fortunes. To be sure, it is not possible to have such a deputy in all of the situations where one could be used advantageously. In most city manager cities, for example, it is not often feasible for the manager to share his principal duties. The extent to which public attention is fixed on the centralisation of responsibility in the city manager almost precludes the use of a double, although not other types of assistants.

Short of a general deputy, the executive may utilise a principal assistant either as an operating aide or as a chief of staff, giving him varying degrees of responsibility, or he may divide his managerial duties with one or more such assistants in a manner mutually compatible with the persons involved. The specific arrangements must be based upon the systematic analysis of tasks to be performed and of the personalities of the executive and the persons that can be secured to perform them. But even the best possible person will never fill the job as theoretically conceived.

However the matter is arranged, and it will always be difficult to work out smoothly, such assistants must think and act in terms that are appropriate to the organisation at large. If they do not deal with matters that cut across the entire organisation, they no longer serve as aides to the executive in his general leadership and management job but rather as operating heads of a group of specialised units. They then become preoccupied with segments of the organisation and their work does little to contribute to the achievement of balance among the different parts. In the Federal Government, assistant secretaries in the departments are frequently used in this fashion—in the Interior, Commerce, Post Office, and Justice Departments among others. Generally speaking, there has been under-development of the general deputy or assistant type of post I am describing here, in state and local government as well as in the Federal Government.

Time-saving Procedures.—Apart from the help the executive can get by providing himself with staff to supplement or complement his own efforts, there is much that can be done to save his time if careful attention is given to the way in which documents, information, problems, issues are presented to him.

With a little ordinary care the amount of time the executive need spend on strictly informational material can be reduced to manageable dimensions. Summaries can be prepared for reports, lengthy memos can be briefed to one page, papers dealing with related subjects can be brought together. I am currently using a simple device in thy own organisation which, though small, is one in which the flow of information is enormous. My executive assistant and assistant chiefs provide me daily with a memorandum entitled "daily intelligence" in which they enumerate the things that have happened that I should know about, matters that have come up which they have arranged for others to settle, and steps they are taking to deal with affairs in which they know I have an interest. I in turn use the same device in posting the Director of the Bureau of the Budget on things he should know about. This is a very elementary but useful arrangement.

The way in which this can be done in a vast organisation is illustrated by the manner in which information is packaged and presented to the Army Chief of Staff and other principal officers in the War Department. A log of selected, important messages to and from the War Department and points in all parts of the globe is the first order of business each day and takes from 15 to 45 minutes.

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This is followed by a meeting, attended by the Chief of Staff and his Deputy, the Secretary of War, and the Commanding General of the Army Air Forces, at which material on military operations throughout the world and on enemy developments and capabilities is presented and discussed. The data are organised by the Operations and Intelligence Divisions of the General Staff, and the discussion consumes from one-half to two hours. These daily informational routines are supplemented by a comprehensive system of briefing the Chief and Deputy Chief of Staff on all matters on which they must make decisions or on which they should be informed.

The Army also has an excellent system of long standing for standardising the format and condensing the content of reports. In almost every page the essentials are reduced to a two page memo covering statement of the problem, facts bearing on the problem, conclusions, recommendation. Explanatory discussion, if any, is put in appendices. When action is required, drafts of whatever documents may be necessary to carry out the proposals are attached. This system, referred to as "completed staff procedure," has permitted the rapid transaction of a great volume of business and has made it possible to get comprehensive studies made and implemented in short order.

Governmental executives generally could do much to simplify their lives by insisting upon the adaptation and development of this idea to meet their particular needs. More often than not, full implementation of a plan or recommendation will take a series of steps or actions. Each of these should be set up in a fashion to permit the executive to take action quickly. It is more economical of time for the executive to send documents back for change if need be than to try to make a decision on other than a specific basis. Too often executives are confronted with the statement, "Here's a problem," rather than "I propose that you do this for these reasons."

This process of simplification should not, however, be carried to the point that the executive is deprived of the opportunity of deliberation on the facts surrounding the proposal with which he is confronted. It is not always feasible nor is it necessarily desirable to reduce proposals to one recommended course of action. When there are non-technical factors entailing judgment and perspective of a level to warrant careful attention by the executive, cut and dried solutions will handicap rather than aid him. He should have the opportunity to consider well thought out alternative recommendations.

How HE COMMUNICATES HIS IDEAS

It will not profit the executive a great deal to be a genius in the management of his time, if he does not take steps to forge strong links between himself and the other elements in his organisation. In this connection, the mobilisation and indoctrination of his team of key subordinates must be near the top of any executive's agenda. When the executive sees to it that the persons in positions of responsibility have been selected and trained for the function of leadership, the way will be open for securing response to new objectives, policies, and methods. Without such a staff he will have a mob, not an organisation.

If there is a free and open channel through which ideas and information can move both down and up, the influence of the executive can be felt all the way through the organisation. This is not, of course, a one way process. If the executive is skilful he will take pains to develop to the utmost the ideas and suggestions coming from his staff, both because this is the way to strengthen the net product and because only in an atmosphere where there is mutual respect are the executive's views likely to carry their maximum weight.

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The kind of person the executive happens to be also has a good deal of bearing on the amount of influence he has. He is a symbol to his organisation, and in the case of the higher posts, to the public as well. His attitudes and actions, both private and public, will have an effect—indirect and subtle perhaps, but nonetheless important—on the attitudes of all within his organisation. If his characteristics and actions excite admiration, his staff will unconsciously be motivated to respond to his leadership and ideas. If the contrary is true, the natural reluctance of individuals to adapt themselves to the requirements of organised activity is likely to be thrice compounded.

Oral Communication.—In small sessions with key officials, the executive has his best opportunity for putting over his ideas. The values of such sessions can be multiplied if, when feasible, the officials primarily concerned with the resolution of an issue bring with them a principal subordinate or two, and if appropriate staff officers are included in important discussions with line officers. Any such devices that will increase the likelihood of cross-fertilisation of ideas without setting undue obstacles in the way of the expeditious handling of business should be encouraged by the executive. Furthermore, to the extent that the executive makes the most of his opportunities for meeting with groups of people rather than individuals, he will be able to extend the area over which his influence is directly felt. It is not always necessary for the executive to be present in person for this result to be achieved. One of his staff officers or assistants thoroughly familiar with his point of view and attitude can often represent him.

Meetings of this character are of enormous importance as a means of facilitating the forward movement of an organisation. If as issues come to the top they can be thrashed out by the principals involved, all points can be brought out on the spot and the most effective answer nailed down. This speeds the handling of important business, and through the process of dealing in unison on organisation-wide matters, the principals get to know each other and how to work together. The more this understanding is developed, the more readily they will team up voluntarily when special problems confront two or more of them.

Staff Meetings.—General staff meetings, if well planned and confined to subjects that are of common interest and concern, can do much to aid communication. They can bring about fuller recognition by each individual of his relationship to the larger whole, and the executive can use them to bring about a common perspective and to help him in knitting the organisation together. Anyone who has attended an effectively conducted meeting has observed how much more readily ideas take shape and are acted upon when an easy means of exchange is developed.

I do not wish to suggest, however, that general staff meetings are of exceptional importance. They are only one of many tools in the management kit. It is often taken for granted that every executive should get his key subordinates together—the department heads of a city or state government—as a cabinet, at frequent, regular intervals. The only useful purpose of group meetings of this character is discussion of matters of common concern. There is no merit in bringing diverse officials together to consider matters that can be settled in the line of command. In a meeting of department heads with the governor, any discussion of the welfare director's problems would put the director of public works to sleep. If the head of the agriculture department started to bring up his problems, most of the rest would be bored stiff. The reason for calling key subordinates together should be to dispose of issues requiring their collective judgment.

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Written Communications.—Written communications are a generally understood although not too well applied method of conveying the executive's ideas from one level to another in an organisation, and they can be an aid to his long range efforts to develop his institution. In many organisations subordinates down the line are deluged with detailed instructions and regulations on every aspect of institutional life. Failure to credit staff with a certain amount of common sense and ingenuity will not generate mutual understanding and more likely than not will lead to complete indifference. In either event, the executive is not helped by the result.

On the other hand, there is only too apt to be a grievous lack of well-thought-out statements issued by the executive outlining specific objectives, schedules of operating requirements, and definitions of responsibilities. However good a job the executive may do in dealing with his principals and however conscientious they may be about passing on the information they get from the top, this will not cover the situation entirely. Written communications are an important supplement in getting to the entire organisation the basic outlines of policies and objectives.

As important as it is that policies, and also programmes and methods, be translated into clear, written communications, these should not be relied upon to get an essential thought over without the assistance that comes from personal comment on their application. Furthermore, this is the only way there can ever be assurance that staff members read or at least become aware of the written word. Written communications are useful chiefly as a point of departure and serve their primary purpose, after the actual labour of thinking them through is complete, as a basis for a discussion or series of discussions with staff of the ideas or directions contained therein. They are particularly useful for the orientation and instruction of new members of the organisation.

How HE HARNESSES HIS ORGANISATION

My commended to this point have been focused on the ways in which the executive uses and extends his personality, ideas, and time. This has largely left out of account the institutional framework through which he must function. None of his personal activities, negotiations, or dealings will amount to much if his institution is not so organised that he can get a firm grip on it at crucial points and at crucial times.

Keeping up to Date.—Essential number one is that he must know what is going on in his organisation. If he organises for the purpose he can keep track of the trend of affairs—weak spots and strong spots, emerging problems, bottlenecks, opportunities for progress. If he does not, he is likely to be at a loss in attempting to pursue a balanced programme.

In the normal course of events he will be confronted with a vast array of paper: actions or letters requiring his signature, drafts of orders and regulations, proposed plans of work, reports of inspections or organisational studies, programme appraisals, report of progress, statistical summaries and interpretations, personnel documents, budget and fiscal analyses ad infinitum. With the help of his assistants in organising and controlling these materials they can provide him with much grist for appraisal of the organisation's operations.

The picture the executive gets in this fashion will be only a partial one and will lack a good deal of realism if he does not supplement these sources of information with others. Many of the gaps the executive can fill in for himself, through conversations and dealings with his subordinates, and in some fields of governmental work, through inspections. The state conservation commissioner

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can see at first hand what is being done in the way of development and use of state parks and in the management of state forests. On the other hand, the head of an agency engaged in activities having little tangible or physical expression cannot rely very heavily on this device. A commissioner of internal revenue, for example, cannot learn much about the product of his organisation by looking at the files of paper in process.

The executive's personal staff can help keep him posted on what is going on by passing on information that he might pick up himself if he could see more people. What I am referring to is spot news that may affect the organisation and its work, information on breakdowns in the organisation, on personnel maladjustments, reactions of particular persons to actions by the executive, new proposals or ideas in the making, complaints with which the executive may have to deal. They may learn of these things informally by contacts below the upper crust of the organisation, and they may pick up some of it from conversations with or reports by both staff and line officers. The executive needs to differentiate between the significant and unimportant in this kind of stuff which may often be little more than rumour or gossip. He must keep a check rein on it, and not let it offset the solid help which his general staff divisions can give him directly.

Staff Divisions.—Perhaps the most important single tool the executive has in harnessing his organisation and keeping it in focus is his general staff—the budgeting, programme planning, personnel, organisation and methods planning divisions. I do not include here service or auxiliary units such as statistical, procurement, and office services, as important and necessary as these may be. Neither do I include here accounting and legal services which, while providing control mechanisms for the executive, are otherwise more akin to the service units than they are to the general staff divisions. It is true, however, that because of personal competence, as well as the fact that they engage in some general staff activity, the accounting and legal chiefs are often used by the executive for a variety of general staff responsibilities.

The staff divisions provide resources for the analysis and development of solutions of problems common to the whole organisation. They provide a source of highest counsel and advice on matters about which the executive is uncertain or has reason to doubt the solution offered by an operating subordinate. They provide a general rather than a specialised viewpoint in review both of proposals made by the operating subdivisions and of evaluating the results of the work of such subdivisions. They can do much to help the executive bring the objectives of the organisation into focus and get consistency of action. In addition, the employees of such divisions circulate around the entire outfit and provide one of the most fruitful means of gathering information and of securing understanding and acceptance of policy.

The executive needs the benefit of a group of staff advisers functioning in this fashion to help him in anticipating tasks to be done, in planning to meet contingencies that may be around the corner, in mapping out policy and programme, and in working out fundamental organisation and methods. Their value depends, however, on the way in which they function. They must stay in the staff role of advising, consulting, and co-ordinating and must avoid imposing their personal judgment on line officials on operating matters. Staff divisions can become a burden rather than a help if they diffuse the executive's line of command by dipping into operating work and if they insulate the executive from other sources of counsel. That the temptation to move outside the staff realm frequently is not resisted is reflected in the common practice of having a large

number of detailed transactions referred to the budget office or personnel office for review, transactions that involve no new policy questions. Perhaps the reason staff officers often insist on this is because it is easier to review the activity of others than to do creative work or because they do not have the capacity to do staff work, or because they have never learned what real staff work is.

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The staff divisions cannot fulfil their roles to the maximum if they move off on their own in separate directions. It is, therefore, essential that general staff activities be co-ordinated with each other. The executive or his general deputy may be able to supply this co-ordination. Sometimes this can be more readily achieved by placing the staff units under an executive officer or a chief of staff. The various staff elements can in this way be brought into focus by someone concerned with the management of the organisation as a whole, and the total resources are more available to the executive. Furthermore, there will then be less likelihood of non-productive competition for the attention of the executive, and the number of organisational units the executive must keep track of personally will be reduced.

But regardless of the arrangement, general staff functions must be directed by high-level officers who have a considerable amount of free access to the executive, with the executive officer performing a facilitating function and providing the environment in which the executive can most easily tap the reservoir of ideas of the individual staff officers.

Arrangement of Line Units.—The way in which the executive arranges the subdivisions of his agency or bureau will also have a lot to do with whether he is on top of or at the mercy of his organisation. There is much common knowledge of how to organise operating subdivisions, and I shall not go into the question in detail. I should like to comment particularly on the relationship between the way in which the organisation is put together and the executive's opportunity to act on significant issues.

For example, a small number of operating divisions will not necessarily mean that the executive is sufficiently free of detail that he can contribute the element of overall perspective and influence. When there are so few or the establishment is so arranged that the executive is walled off from operations by many layers of supervision or the job of harmonising and co-ordinating on major issues is pushed down to a subsidiary level, he may become the slave rather than the master.

Related to the question of too few operating units and the layers of supervision that this may entail, is that of the excessive independence that statutory provisions often give subordinate operating officers. When the functions of major division heads are defined by statute, the top executive is placed under a severe handicap in trying to manage what frequently become independent principalities. I recall the vivid comment of a Federal executive who complained that he had the impossible task of administering a federation of bureaux rather than a department.

In a different category are the complications that may ensue if there is too fine a breakdown of activities. Not only is he unable to hold the separate units within his span of attention, which leaves them floating on their own, but those issues that do reach him may get one sided or unbalanced consideration. Functions need to be so arranged that, to the maximum extent possible, varied points of view will be brought to bear and reconciled at points along the way. In recognition of the dangers of over specialisation, up-to-date city health departments, for example, have moved away from the system of organising public

health nursing services on the basis of specialised types of work: tuberculosis, venereal disease, infant care. Units or districts consisting of a group of nurses able to meet varied problems and situations are in large measure self-co-ordinating and thus reduce the burden on higher administrative positions.

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There is another disadvantage in agencies or units set up with relatively narrow functions. If the agency commands the support of a specialised or single purpose type of interest or pressure group, undue influence in one direction may be exerted on the executive, and it will be more difficult for him to keep

his organisation in proper focus.

Almost all of these dilemmas of internal organisation have been faced at one time or another in organising the housing functions of the Federal Government. In February, 1942, the three major functions of loan insurance, mortgage banking, and public housing were brought together by Executive Order to form the National Housing Agency. In varying degrees each function has its own clientele including one or more interest groups. If any one of these functions should be reconverted to independent agency status, the executive of such a narrowly based agency would be subject to highly specialised pressures. The executive of a unified housing agency is in a far better position to balance off interest against interest and emerge with a programme which reflects the national interest.

Combining the mortgage banking and housing loan insurance functions with all the other loan activities of the Government would be equally undesirable from the point of view of carrying out a housing programme. Such a move would facilitate credit policy co-ordination by the head of the agency but would complicate the job of executives of other agencies operating in the same functional field, as well as subordinate programme objectives, to fiscal considerations. The public housing chief could not, under these circumstances, easily reconcile housing credit activities with his programme. The purpose of the Federal housing programmes is adequate housing for all citizens. Consequently, a permanent agency encompassing all three housing functions holds greatest promise as a method of providing co-ordinated leadership over a comprehensive group of closely knit housing operations. This solution permits effective executive direction and control. It is for this same reason that credit agencies in the agricultural field have been placed in the Department of Agriculture, those concerned with foreign operations in the Foreign Economic Administration, and so on.

Is HE A SUCCESS?

This discussion has touched on some of the things that the executive can do to harmonise and get the most out of the other elements in his organisation. I have emphasised that this is the way that he builds up his influence in his organisation and guides it towards its objectives. In closing, I should like to reiterate my earlier point that although the executive is not likely to succeed if he approaches his organisation as something that is his own to command, he

is at no disadvantage as he takes up the role of leadership.

The fact that he is the repository of formal authority in his organisation is a powerful asset in the business of developing his titular position into one of genuine force and strength. Furthermore, it is up to him at any one point in time to determine the issues which he wants to have referred to him for decision. Although he may not decide much in his organisation, quantitatively speaking, his choice of the decisions that he should make will determine how his organisation meets its major difficulties. The point is that for the most part, he must depend upon others; therefore to the extent that the entire organisation moves within a commonly accepted framework will it develop some speed and assurance in its forward movements.

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My comments have been directed in large part toward some of the methods by which this team relationship can be developed. I trust that these may have proved helpful by suggesting some of the aspects of the business of managing a government enterprise beyond those generally taken for granted. All of these devices and suggestions, nowever, will not prove any substitute for general aptitude in the business of getting people to pull together. The real leader does not consciously rely upon any pat method of exercising leadership and influence. This is something to which he will be sensitive by his very make-up. He will feel the pulse of his organisation and will understand it as a whole rather than as a lot of separate segments. He will know whether he understands it by whether it is responsive to him. If he has this sensitivity, even if he is a neophyte, he will soon learn the tricks of the trade. If he doesn't have it, no amount of boning up on what experience has taught us will help him much.

This can perhaps be illustrated by an analogy that is more suggestive than it is accurate. A person making his first public speech has little impression whether or not he is carrying his audience. By his one hundredth speech he should know. If he doesn't, he is not a real public speaker. If he does, he will adjust his performance in many ways in order to bring the audience and himself into harmony. And so it is with the executive in relation to his organisation. A good executive gets the feel of situations by the way in which those with whom he deals respond to him, and adjusts himself and his staff arrangements accordingly.

Local Income Tax in the United States

By RONALD E. GREGG

WHEN Toledo, Ohio, enacted a city payroll-income tax in 1946, it became the second large American municipality to use this revenue source in financing local government services for which state and federal laws and an inadequate tax system failed to provide. The two experiments—in Philadelphia, which was the first city to adopt payroll-income tax, and Toledo—are quite similar in many respects. The approach in Toledo, however, is on a broader scale and carries more significance in regard to overall fiscal management.

PHILADELPHIA PAYROLL TAX

The Philadelphia city council in 1940 adopted an annual tax on the payroll of residents, on the net income of unincorporated resident business and professional persons, and on that portion of payroll or net profits earned in Philadelphia by non-residents, or "daylight" citizens. There are no exemptions.

The State Legislature subsequently approved a law, applying to Philadelphia only, permitting that city to retain the tax. The city does not tax net profits of incorporated business because the State of Pennsylvania has pre-empted the field by a flat rate corporation income tax. Court decisions upheld the constitutionality of the tax and denied exemption of state and federal employees or those working in a federal area (Philadelphia Navy Yard) as well as out-of-the-state residents (New Jersey) working in Philadelphia.

At a 1.5 per cent, rate (equivalent to 3.6d, in the £) during 1940-41-42, the yield averaged 19.5 million dollars annually. With the rate reduced to 1 per cent. (2.4d, in the £) in 1943, the annual revenue average for the last four years is 22.6 million. Better collection experience and enforcement without doubt are factors in the increased revenue, but minor in comparison with the stepped-up rate of economic activities during the later years.

The seven-year average of approximately 21.5 million dollars establishes this tax as a significant source of revenue. Actual fluctuations in collections, however, between 14.8 and more than 25 millions per year, raise serious problems in fiscal management planning because most operating expenses of cities are relatively stable. Permanent improvements and poor relief are the major items of expenditure which fluctuate widely: the latter increase at times when income tax collections decrease. Permanent improvements financed by American cities, according to past experience, are usually undertaken in "good times" because they are dependent upon popular approval of public borrowing. Although increased revenue in good times reduce public borrowing for such improvements, the large expansion of public spending for major works projects in such periods contradicts economic principles related to a stabilised economy. Mistiming such unusual expenditures also operates against the creation of a reservoir of work projects as a substitute for dole. The Philadelphia law does not deal with these problems in stabilising the fiscal management of local affairs.

The revenue from the tax is used in Philadelphia to pay pre-depression municipal debts re-funded repeatedly during the 1930's as a means of reserving cash to meet public payrolls and to balance current operating budgets which had annual revenue deficits during the previous 19-year period.

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TOLEDO PAYROLL-INCOME TAX

With the addition of a levy on the net profits of corporations, the Toledo city council passed the extended tax ordinance which became effective 1st March, 1946, and is due to terminate on 31st December, 1950. Application of the tax to residents and "daylight" citizens is similar to the Philadelphia scheme. The principles are extended to include resident corporations and non-resident corporations having an office and doing business in Toledo.

The taxable base for individuals is all wages, salaries, commissions and other earned compensation of city residents, and such amounts as are earned in Toledo by non-residents. In the case of unincorporated business or professional activities, total net profits are taxable, or that part attributable to activities in Toledo by non-residents. As to corporations having an office or place of business in Toledo, that portion of net profits derived "as a result of work done, services performed or rendered and business or other activities conducted in the city of Toledo" is taxable.

A method of segregating net profits taxable by the city is offered where this cannot be done acceptably by company books. In essence the formula is determined by taking the average (arithmetic) of three ratios: (a) local real and tangible personal property to total real and tangible property; (b) receipts from sales, services and credits within Toledo to gross sales, services and credits, and (c) personal compensation, except general executive officers, for employees within the city to total personal compensation, except general executive officers. If a just and equitable result is not thereby obtained the Board of Review is authorised to substitute other factors.

LOCAL INCOME TAS IN THE UNITED STATES

Allegedly because no exemptions were provided, the local Political-Action-Committee, sponsored by the Congress of Industrial Organisations, successfully circulated petitions requiring a referendum vote on the new tax. Spokesmen of the American Federation of Labour approved the tax as necessary to the city's welfare. At a special election in April, 1946, for this one issue, a majority of citizens approved the tax.

Toledo is a "home rule" or charter city and therefore derives certain direct powers from the State constitution providing the State has not pre-empted that field of taxation or otherwise limited municipal authority. There being no State income tax in Ohio, although the State constitution permits it, the city proceeded without action by the State legislative body. No test of legality came during the first year, but one is now pending.

Major Changes in Revenue Structure

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The 1 per cent. rate resulted in collections of four million dollars for the 1946 ten-month period. The estimate for 1947 is five million dollars. The experience is too short to determine any significant range of fluctuation in the yield, but the inevitability of such fluctuations is considered in the design and application of the law.

A major trend in sources of revenue for municipal purposes is away from the general property tax. In 1931 the general property tax supplied more than 77.2 per cent. of the income for Toledo; State-shared taxes produced 3.7 per cent.; and city service charges accounted for 8.1 per cent. By 1940 these respective percentages were 54.4, 25.4, and 11.5, although total revenue was approximately the same. In Ohio in 1934 the combined total limits of real estate levies for city, county and school purposes, unless specifically approved by the voters of a tax district, was reduced by State constitutional amendment from 15 to 10 millions. This restriction, coming at a time when the public demanded much more liberal poor relief and local participation in the financing of public works projects, made it impossible for most large cities either to repay debts or balance current budgets. Increased financial aid by State-shared taxes never made up more than half the loss incurred in Toledo by the new levy limitation, combined with reduced property valuations and greater tax arrears. Locally, voters were so opposed to further property tax levies that since 1931 they have approved only two levies out of 44 issues submitted to them for new purposes. These are the main explanations for changes in revenue sources. The situation still being untenable in 1945, Toledo turned to municipal income taxation. effect on the general financial position of the city can be seen from the following table: -

REVENUE SOURCES OF CITY OF TOLEDO, OHIO 1945-1946

			-					
		1		1	946	1945		
Sour	ce			Amount	% of Total	Amount	% of Total	
				\$'000		\$'000		
Property Taxes				4,935	31.6	4,790	48.0	
Real Estate, Spe	cial .	Assessm	ents,					
Tangible Person	al Pr	operty.						
Service Charges				3,208	20.5	2,492	25.0	
Licences, Permits,		Admiss	sions,					
Water Charges,	etc.							
*State Shared Taxes	***	***	***	3,250	20.8	2,478	24.9	
Miscellaneous	•••	***	***	214	1.4	208	2.1	
Payroll-Income Tax	***	•••	• • • •	4,000	25.7	-		
			-	\$15,607	100.0	*\$9,968	100.0	

PUBLIC ADMINISTRATION

Sour	ce			1946 Amount \$'000		1945 Amount \$'000
*Includes:						- 1
Inheritance Tax		***	***	110		94
Beer and Liquor T	Beer and Liquor Tax					342
Cigarette Tax			200	11		9
State Sales Tax		***	***	799		589
Public Utility Tax		***	***	959		593
Auto License Tax		***	***	306		275
Gasoline Tax			***	618		441
Intangible Personal	erty T	130		135		
				\$3,250		\$2,478
				-		

Collection Methods

Employers in both Philadelphia and Toledo are required to deduct the tax from their employees' salaries and wages as is done for federal income, social security and state unemployment taxes. The deductions, which are approximately 85 per cent. of the total Toledo tax, are forwarded to the city quarterly. In Philadelphia others subject to the tax pay it after the end of the year. In Toledo, city residents employed outside the city, professional persons and business are required to file a declaration of estimated earnings and make instalment payments in a manner similar to federal provisions for individuals having an annual income of \$5,000 or more.

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To reduce tax enforcement costs the Philadelphia return forms require a reconciliation with the federal income tax report. The Toledo form, more simplified, is also co-ordinated with the federal report. Those having no taxable income other than that from which the tax was withheld are not required to make a report. Toledo is still experimenting with simplification of returns and administrative procedures generally in order to secure both efficient collection and enforcement.

Use of Revenue in Toledo

The Toledo income tax ordinance states the general purposes with ceiling limitations for which the proceeds may be used and establishes priorities. These are related to a five-year expenditure programme developed by a citizen advisory committee authorised by the city council and appointed by the city manager in 1944. This report, completed in 1945, considers the needs of three overlapping local taxing districts: county, city and public schools. It provides for payment of public debts not being retired according to original maturity schedules, adequate levels of service, deferred maintenance of public properties, and replacement of obsolete operating equipment postponed during depression and war years and the most essential permanent improvements. In brief, the limitations adopted are—in priority order:—

- Cost of tax collection (not limited, but estimated not to exceed 4 per cent.);
- 2. \$1,338,543 annually for certain debts (refunded from 1936 through 1945);
- Up to \$800,000 additionally each year for general city service operations;
- Up to \$250,000 annually for deferred maintenance and equipment replacement;
- Up to \$550,000 annually for specified permanent improvements on payas-you-go basis;

LOCAL INCOME TAX IN THE UNITED STATES

- Up to \$480,000 for county or school purposes (apportioned by a special budget commission);
- Surplus must be used to reduce other city indebtedness existing at the time the ordinance was enacted.

TOWARDS FISCAL STABILITY

The Toledo experiment with payroll-income tax is part of a general experiment in planning of public expenditure and a more practical approach to securing stability of municipal fiscal affairs. This experiment promises to give more satisfactory results than the freezing progress secured by the denial of taxes or the limitations as in the past. The total experiment includes a comprehensive fiveyear over-all expenditure plan related to an adequate revenue source; the restoration of balanced budgets and normal maintenance expenditure after a 15-year lapse; annual programming of essential and recurring public improvements on a pay-as-you-go basis; payment or creation of cash reserves to retire burdensome debts and re-establish credit reserves during good times. Further steps to refine this approach are now being adopted or discussed. Actual construction is being postponed wherever practical, to avoid competition with private enterprise for scarce materials and a present shortage of skilled labour. Large improvements are being planned for times of slack employment and lower prices. More extensive use of "callable" bonds in new issues is being discussed as a method of reducing the rigidity of annual debt service requirements along with increasing the economies of early repayment of debt during periods when collection of the income tax is easiest.

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Organisation Charts and Lists of Duties

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I.—Introduction

ANY organisation consists of a number of individuals working together to achieve the purpose or purposes of the enterprise. If the organisation is to have an orderly structure, it is necessary to define the duties to be carried out by each individual and to specify to whom the individual is to be held accountable for carrying out those duties.

If this is not done, the ability of individuals to work together effectively will be hampered because there will be doubt and disagreement about the division of work, confusion in the working relations between individuals and waste caused through duplicated or overlapping responsibilities.

The preparation of an Organisation Chart and a List of Duties is the simplest way of recording the posts, duties and lines of responsibility which are found in the organisation structure of any unit, whether Department, Branch or Section, etc. The term "post" is commonly understood, and the meaning given to "duties" is described later in this article. The "line of responsibility" between

a superior and a subordinate post is taken to represent the relationship in which authority is delegated to the subordinate post and the subordinate post is held accountable for carrying out the assigned duties.

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An Organisation Chart and a List of Duties will fail in their purpose if the information they show is ambiguous. This article is concerned with the technique of recording organisation structure and duties in a clear and simple way. There is a danger that informality may lead to ambiguity, and it is suggested, where a more informal treatment is desirable, that the essentials of the methods described in this article can usually be retained when the details are modified for a special purpose.

An Organisation Chart is merely a way of illustrating an organisation on paper. It is an aid to management, but it cannot in any way replace the active organising and management which give life to the enterprise and encourage and guide its members to work together to a common end.

II.—THE ORGANISATION CHART,

The Organisation Chart shows graphically the posts in the organisation unit and the lines of responsibility between posts. A specimen chart is given in Appendix A.

The chart is used as a graphic device to present essential information in a way in which it can be readily grasped. In an organisation structure, posts and responsibility are essential data which it is useful to present graphically—

(a) when making a concise record of an existing organisation structure;

(b) when analysing an existing organisation structure;

(c) when developing a new organisation structure.

A chart of any kind must be simple to be effective. The Organisation Chart shows only the posts and lines of responsibility. It does not describe the day-to-day contacts between individuals, or the procedure whereby duties are carried out, or the location of staff in particular rooms or buildings. Such data is excluded because it may make the chart confusing, or obscure the important facts. There are occasions, however, when it is useful to include in the chart a brief list of the duties assigned to the more important posts. The space available on an Organisation Chart makes it impossible to set out these duties in any detail, and this practice cannot therefore replace the separate List of Duties described later in this article.

If an attempt is made to include in the chart a fuller description of the duties of each post, the amount of text will obscure the structure of the organisation and make it appear unduly complicated. If it is necessary to associate the duties with the posts shown on the chart, this can be done by numbering the posts to correspond with numbers allocated to the duties described in the List of Duties.

. It is common practice in organisation charting to enclose each post in a "box." This practice has not been adopted in the methods described below. It is considered preferable to use boxes to indicate multiple posts, i.e., boards or committees, and to limit their use for single posts to those cases where items of additional information, e.g., budget figures or volume of work, are recorded in association with the title of a post on charts drawn for special purposes.

In an Organisation Chart it is preferable to use a generally understood set of conventions even if it is occasionally necessary to invent special ones for special circumstances. The use of the conventions described below will help to ensure

that the essential facts are shown without ambiguity.

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ORGANISATION CHARTS AND LISTS OF DUTIES

Recording Posts

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Posts are described, wherever possible, by the title by which they are known in the unit, adding the rank of the officer if the officer has a rank which is not implied by the title (Fig. 1).



If a post has no title a brief description of the work of the post and the rank of the officer is used (Fig. 2).



Where the post is the top post in a section or branch it is preferable to include the name of the section or branch, with a brief explanation of cryptic names (Fig. 3).



If, in an existing organisation structure, a post is not currently filled, it is included in a chart of the "present organisation" and shown as "vacant." Again, if one individual is filling two posts either as a temporary arrangement, or on a part-time basis because neither post calls for a full-time appointment, two posts are shown on the chart. A footnote to the chart may be helpful to explain the position.

Rank.—The description of each post implies or states the rank and, subject to the form the chart takes, posts of the same or approximately equivalent rank should be placed on the same level in the chart.

Names of Officers.—Names may be required on a chart in particular circumstances (as may amounts of salaries), but are not usually necessary when the organisation structure as such is being recorded.

Committees.—A committee is shown enclosed in a rectangle in which is entered the title of the committee and, if necessary, a brief note of its functions and membership. Lines from the rectangle to the appropriate post(s) in the chart show the committee's responsibility and, if necessary, the channels through which the committee acts; broken lines may be used to distinguish executive, advisory, etc., action, but the chart should not be complicated by including lines which are not needed for the purpose for which the chart is drawn. In this way, in charting; a committee is treated as a post of a special kind.

Numbers of Staff.—The numbers of staff may be usefully recorded on a chart which is intended to have a limited life, or when the chart will be kept up-to-date. Where the chart will be issued for general information, the numbers

PUBLIC ADMINISTRATION

of staff are likely to have little value and will quickly become out of date. The attempt to include numbers of staff in an Organisation Chart may be complicated by the existence of part-time workers or shift arrangements.

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When the number of staff is to be recorded, it may be convenient to show on the chart every post in the unit. In addition a summary can be given in a

table in a corner of the chart.

Sometimes (e.g., in large clerical organisations) the chart may be required to illustrate only the typical arrangement of posts in one unit. If the total staff is

also required, a table can be added to the chart or drawn up separately.

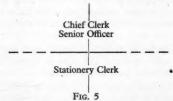
When a chart is drawn to illustrate the upper organisation structure of a branch it may not be necessary to show any details of the posts under heads of sections, but an indication of the size of each section may be shown as in Fig. 4. If more detail is required the table shown in Appendix C may be suitable.

Assessment (A)
(Pensions, Army)
Principal Clerk and 43 Staff
Fig. 4

Recording Responsibility

Direct responsibility is shown by a solid line drawn between the posts concerned. Responsibility for a particular and limited aspect of the work of a post can be shown by broken lines with an explanatory legend. If it is inconvenient to show the latter kind of responsibility by lines on the chart, a footnote may be used to explain the position. It is, however, desirable to limit the record of points of detail to the minimum necessary to the purpose of the chart.

Span of Responsibility.—When a part only of an organisation structure is charted, it may not be necessary (to the purpose of the chart) to include all the posts that are directly responsible to a post shown on the chart. The fact that the span of responsibility of a post is not fully recorded is shown by broken lines (Fig. 5).



Groups of Staff.—When a number of similar posts are each directly responsible to the same supervisory post the subordinate posts are shown as a group (Fig. 6). (N.B.—This construction is used only when each subordinate post is directly responsible to the supervisor. If it is intended to indicate only the number of staff, without implying this relationship, the construction in Fig. 4 is used.)

Indexing Senior Clerk 5 Index Clerks Grade III Clerks Fig 6

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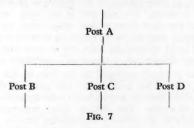
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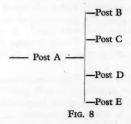
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nsoup is the Title.—The title of the chart should state the name of the unit, the date to which the chart relates, and whether an existing or a proposed organisation structure is recorded.

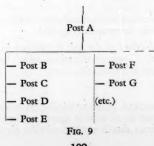
Style of Chart.—The preferable style is shown in Fig. 7 (and Appendix A) in which the senior posts appear at the top of the sheet, and all titles can be read horizontally. If this style would require an inconveniently wide sheet of paper, the alternatives shown in Figs. 8 and 9 are available.



The style of Fig. 8 is useful when a branch is subdivided into numerous sections, but detail of the organisation structure of each section is not required.



The style of Fig. 9 is a mixture of the two styles above. It is useful when a large number of sections, each with many subsections, have to be included in one chart. This style makes the maximum use of the space on the sheet, but it has the disadvantage that the rank of some posts cannot be related to their level on the chart. It is convenient, however, for charting top organisation structure.



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PUBLIC ADMINISTRATION

The lines of responsibility are drawn vertically or horizontally (i.e., rectangular construction) and diagonal lines are not used. The appearance of the chart is improved if the lines are not too thin; a thickness of about 1 mm is convenient for drafting with a ruling pen.

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Arrangement.—A convenient arrangement of the lines of direct responsibility will naturally bring posts into groups representing sections, branches, and other organisation units. Lines showing other kinds of responsibility, if required in the chart, are then fitted in as conveniently as possible.

The arrangement of these groups on the chart can be suited to the purpose for which the chart is drawn. For example, it may sometimes be preferable to place in the centre of the chart those sections which carry out the main work of a branch. Sometimes it may be an advantage to arrange sections from left to right across the chart in the order of the main flow of work from section to section, or in the order of any alphabetical or numerical designation of sections.

Although a chart is usually arranged by the lines of direct responsibility, it may occasionally be more useful to bring into one group all the posts which are connected by some other kind of responsibility—for example, all technical staff subject to technical direction. The lines of direct responsibility will then be fitted in as conveniently as the primary arrangement permits.

III.—THE LIST OF DUTIES

The complement to an Organisation Chart is a list of the duties assigned to each of the posts shown on the chart, the description of the organisation structure being incomplete until these duties have been stated. A specimen List of Duties is given at Appendix B. The List of Duties is used in conjunction with an Organisation Chart as a clear and concise statement of the division of work in an organisation.

A List of Duties defines the title and objectives of each unit (Branch, Section, etc.), and the title, duties and responsibility of each post ("title" and "responsibility" being a repetition of information given graphically on the chart). Lists of Duties may also form part of instruction manuals (in addition to procedure instructions) and other departmental guides.

It is usually preferable that the List of Duties should describe the organisation structure unit by unit. For each unit, the objectives should be stated first, followed by the duties of the posts in that unit. The order in which the posts are mentioned should relate readily to the arrangement of those posts in the Organisation Chart, beginning with the senior officers.

The Unit

Title.—A unit is described by its usual title in full, and in any abbreviated form in which the title may be commonly quoted.

Objectives.—The objectives of the unit are written in general terms to show what the unit exists to do. They are sometimes called "purposes served by the unit"; the choice of terms is immaterial.

Posts in the Unit

Title.—A post is described by its usual title in full and in any abbreviated form in which the title may be commonly quoted. The rank of the post should be stated. Names of officers should not normally be given.

ORGANISATION CHARTS AND LISTS OF DUTIES

Duties.—The duties derive from the objectives by the allocation to each post of the various jobs which must be done if the objectives of the unit as a whole are to be achieved. The duties might therefore be described as the "objectives" for each post, and describe what must be done rather than how work is to be done.

The List of Duties should normally include all the more important duties of the posts to which it refers. For example, in analysing organisation structure, a review of the duties as a whole is necessary before considering how they are divided and grouped. In this respect the List of Duties differs from a procedure record, which does not necessarily cover the complete work of any one section or post.

Although the List of Duties should be complete, the degree to which work is divided into separate duties, and the amount of detail given for each duty should be related to the purpose in preparing the list. As an example:—

"Register correspondence"

might be stated as a single duty or might be divided into:-

- "Decide subject classification for each letter"
- "Record letters by subject"
- "Allocate file numbers to letters"

As an upper limit, the details given should not extend to the point of describing the method whereby the work is done. For example:—

"Record letters by subject"

would not be expanded to:-

"Record letters on card index arranged alphabetically by subject."

A lower limit is more difficult to define, but the object should be to confine each duty to one distinct type of work. For example:—

"Receive and inspect stores"

would normally be split into the two duties of "receive" and "inspect."

If there are restrictions on the exercise of a duty, they should be included in the description of the duty unless they are implied in the title of the section or the post. For example:—

" Certify invoices for payment (under £5)."

Responsibility.—The responsibility of the post to a more senior officer is defined at the end of the list of duties for the post.

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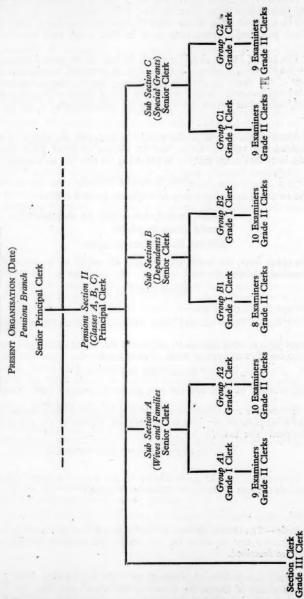
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Title.—The title of the List of Duties should state the name of the organisation unit, the date to which the list relates, and whether existing or proposed duties are described.

Arrangement.—The arrangement and style will be clear from Appendix B, which is a List of Duties for a part of the organisation chart in Appendix A. For brevity, the infinitive of the verb is used in each duty, omitting "to."

PENSIONS BRANCH SECTION II

(Specimen organisation chart)



of

G

Specimen List of Duties

DEPARTMENT-

PENSIONS BRANCH, SECTION II

PRESENT ORGANISATION (Date)

Objectives

(Note:—The work of the section is confined to first applications for pensions in classes A, B, C, that is, etc.)

Determine eligibility of applicant.

Assess the amount of pension and give instructions for payment.

Conduct correspondence relating to general enquiries, eligibility, and the assessment of pensions.

Section Head (Principal Clerk)

Examine applications referred by sub-section head, including all cases of, giving a decision or referring to head of branch.

Conduct correspondence on difficult cases.

Explain new regulations and instructions to the staff of the section, and hold a weekly meeting of sub-section heads.

Make staff adjustments between sub-sections.

Recommend any changes in standing instructions.

Responsible to head of branch.

Sub-section Head (Senior Clerk)

Conduct correspondence referred by group head.

Examine all cases returned by Audit Branch as errors, and discuss with officer concerned.

Decide items to be recorded as precedents.

Make test-check of cases worked in the sub-section.

Ensure that replies are sent to applicants without undue delay.

Responsible to section head.

Group Head (Grade I Clerk)

Scrutinise all applications and other papers received by the group and distribute to examiners according to their experience.

Decide assessment of items in all applications.

Examine applications referred by examiner, including all cases of, giving a decision or referring to sub-section head.

Check all work of new examiners.

Sign all letters written by examiners.

Act as examiner as time permits.

Responsible to sub-section head.

PUBLIC ADMINISTRATION

Examiner (Grade II Clerk)

Examine applications and decide eligibility and assessment according to standing instructions, referring to group leader all doubtful cases and cases of

Calculate pension payable.

Give instructions for payment of pension.

Draft letters or answer enquiries relating to applications.

Responsible to group head.

Section Glerk (Grade III Clerk)

Receive, sort and distribute all papers.

Hold applications in hand until required by the groups.

Collect all outgoing papers.

Collect and record statistics on output and work in hand.

Keep files of instructions and stocks of stationery.

Assist registry staff in finding files.

Responsible to section head.

ORGANISATION CHARTS AND LISTS OF DUTIES

Appendix C .

(Specimen organisation chart with numbers of staff) DEPT.

SUPPLIES DIVISION

PRESENT ORGANISATION (Date)

							4
			DA (Tourille)	a	ь	c	TOTAL
	. /		P4 (Textiles) Head of Section	6	-	50	56
	Purchasing		-P5 (Priorities) Head of Section	2	-	11	13
	—Assistant Controller		-P6 (Timber) Head of Section	9	4.7	83	92
			P8 (Lino, Carpets) Head of Section	4	2	48	54
	9		P1 (Fire Appliances) Head of Section	4	-	30	34
	Purchasing —Assistant Controller		■P7 (Crockery) Head of Section	4	1	38	43
			P9 (Extincteurs) Head of Section	5	-	37	42
rolle		Estab. and Accounts Head of Section				70	78
Furniture Assistant Controller			Trade of Section	42	3	367	412*
	Š.	London and	London I Ch. Tech. Officer London II	3	45	25	73
		Compensation —Senior Ch. — Tech. Officer	Ch. Tech. Officer Compensation Ch. Tech. Officer	2	34	12	33
			-Production Ch. Tech. Officer	1	54	5	60
	-Assistant -		South Ch. Tech. Officer	3	46	25	74
		Provinces Senior Ch. —	-Midlands Ch. Tech. Officer	4	51	29	84
		Tech. Officer	North Ch. Tech. Officer	2	40	21	63
			-Scotland Ch. Tech. Officer	1	25	11	37
				17	312	142	471*

<sup>a = Senior Officers
b = Technical Staff
c = Clerks, etc.</sup>

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The Road to High Employment

By Douglas B. Copland. (Harvard University Press.) 1945. Pp. 137. \$1.75.

In spite of the large number of books and pamphlets on employment policy which have appeared during the last few years, the importance of the Keynesian proposals has not yet been as generally appreciated as might have been expected. A fairly large and influential sector in the U.S.A. is still inclined to disregard the bitter lesson of 1929 and to argue that private enterprise by itself can provide work for all. In this country the Conservatives have on the whole accepted Keynesian ideas, although with some timidity, and it is the Left which is in a state of confusion comparable to that of the American Right. Thus one still hears the argument that unemployment is inherent in the capitalist structure and can only be removed by socialisation, although it is never very clear what difference a change in the ownership of property would make. Of course the more sophisticated members of the Labour Party do not believe this, but a large part of the rank and file undoubtedly does, and so do many other people of no particular party who feel that the nation is faced with a grim choice between freedom with unemployment and serfdom with security.

In the Godkin lectures delivered at Harvard in 1940-45, and now published in this slim volume, Professor Copland sets out to show how, by means of State control of total expenditure, mass unemployment can be prevented without the abolition of private enterprise and the liberties which go with it. Readers of the past literature on the subject may find little that is new in these pages, but the task of exposition and persuasion is now as important in this field as that of making original contributions. Addressing an American audience, even at Harvard, he has rightly emphasised the planning required to make the policy work, whereas, in this country, it would perhaps be more appropriate to indicate the large fields of enterprise in which detailed State intervention or ownership is both unnecessary and undesirable.

An increase in government expenditure relatively to taxation is usually regarded as the best method by which an inadequacy of monetary expenditure, actual or prospective, can be corrected. But it still remains to choose between an increase in expenditure or a reduction in taxation or a combination of the two. On the whole Professor Copland seems to favour increased communal expenditure and lays particular stress on increased government investmentroads, houses and public buildings, T.V.A. projects and the like. prove to be sound policy, but it must be made clear—and Professor Copland's exposition is weak on this point—that since monetary unemployment can be abolished either by increasing expenditure or reducing taxation, the choice between the two methods should be made with reference to considerations other than employment policy itself. Lord Beveridge was also at fault in this respect for he linked expenditure on his social priorities with full employment policy, which was no doubt sound political tactics but liable to confuse the issue. The Coalition Government's White Paper on Employment Policy favoured increased government investment, largely in the superstitious belief that if Keynesian finance is to be adopted the government should have bricks and mortar to show for its efforts—as though increased employment and a larger flow of goods and services were not enough. Professor Copland appears to have no such inhibitions, but

one feels that he would have done better to adopt a method of approach similar to that of Professor Polanyi in his "Full Employment and Free Trade." The right approach, Professor Polanyi suggests, is for the planning staff to estimate the total volume of goods and services which might be produced at full employment for, say, the following year-this can be done with reasonable accuracyand then to decide what proportion of the total should be devoted to communal In making this decision full regard may be paid to Beveridge's social priorities and the proportion finally accepted may be quite high, but these priorities must stand on their own feet. Subsequently rates of taxation should be fixed at a level calculated to ensure that the volume of private expenditure considered desirable will be forthcoming so that the remainder of the potential national output will be absorbed in this way. In this way the distribution of the national output between different uses will not be distorted as much as if government expenditure were deliberately expanded in order to cure unemployment. distortion would, of course, be particularly marked if the principal emphasis were placed on increased government investment.

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Professor Copland appreciates rather more fully than Lord Beveridge the probable need for both continuous governmental support of total expenditure to prevent long-term stagnation and for sharp variations in the amount of that support to meet changing circumstances. In dealing with the latter problem he is sometimes a little naive, for example, when he suggests variations in social security payments and neglects more feasible schemes such as a permanent version of the post-war credit device or direct consumer bonuses. In discussing the finance of budget deficits he contents himself with pointing out that the increasing burden of the national debt may be offset by increases in the national income and that money may be a lot cheaper than it was in the 'twenties. All this is true, but since the finance required for the purpose of maintaining employment will not deprive other borrowers of funds it may be argued that it should not be regarded as a debt in the ordinary sense at all. The money should be obtained from the commercial banks at charges just sufficient to cover the extra prime costs involved in arranging the transaction.

Professor Copland devotes little space to the discussion of structural unemployment which is likely to be particularly tricky in this country. More disappointing, in view of his own practical experience, is the meagre treatment of wages policy in conditions of full employment. He admits the danger of wage inflation, but then rather strangely refers with approval to the Australian practice of linking basic rates to the cost of living, a policy which, although it may have much to commend it, is likely to aggravate rather than cure the particular problem under consideration. With regard to international trade he is perhaps more inclined than some of his countrymen to support the recent attempts to create by international agreement the conditions under which its volume may be expanded and Like most of them, however, he claims that the first step is the acceptance of satisfactory internal employment policies by each of the nations No doubt such acceptance would be the most desirable first step, and it was particularly appropriate to stress this aspect of the problem in speaking to an American audience. Professor Copland does not make it clear, however, that even if there is still reason to anticipate the danger of a slump in some countries, it does not follow that the Bretton Woods commitments and allied agreements are a mistake. On the contrary, there is every reason to suppose that the new international machinery will at least enable us to make the best of a bad job.

On the whole one is left with the impression that Professor Copland's book is a little unbalanced. A good deal of space is devoted to a somewhat repetitive

discussion of the need for increased government expenditure, while a great many other points are scantily treated or neglected. One also notes a lack of balance of a different kind which leads him to exaggerate both the material loss due to unemployment and the benefits to be derived from its cure. For example he writes:—"What the world of to-day lacks more than anything else is capacity to consume, not capacity to produce." (p. 52.) It is a little depressing to find, in an otherwise authoritative work, the repetition of this inter-war cliché which is, of course, quite untrue. These, however, are criticisms on points of detail and, in general, the book must be regarded as a useful and interesting contribution to the subject.

T. WILSON.

The Administrator's Changing Environment

"National Enterprise." By ERNEST DAVIES. (Gollancz.) Pp. 173. 6s.

"The Future of Government." By HERMAN FINER. (Methuen.) Pp. 197. 10s. 6d.

ALTHOUGH the subject-matter of these two books does not coincide they have at least one admirable trait in common: they both set out to provide an up-to-date survey of administrative fields in which considerable changes have taken place during the years of upheaval. They also share a virtue which deserves commendation in these days of austerity when too many books are being issued in an incomplete state: they both have a helpful index.

In "National Enterprise" Mr. Davies supplements his previous writings by giving us a short survey of the development of the public corporation, and while the book does not purport to be a full-length study it can be recommended as a useful appendix to the pre-war books of Dimock, Robson, O'Brien and Gordon, to mention a few that come readily to one's mind. The Bank of England, the Coal Board, and B.O.A.C. and its successors are now brought into the picture.

Mr. Davies is particularly concerned about such matters as the method of selecting the board, the degree of ministerial control, the ethics of acquisition and, if his argument does not always take us with him, it has the virtue of stimulating thought on some very important topics. He can also exasperate and, at times, his ideas are, to my mind, naïve in the extreme: for example, when he suggests that gas and electricity should be supplied as a free service, or on a similar basis to water—a touch of the "magic wand" economics which we have come to expect from scientists rather than politicians!

However, there is much in this book that deserves close study. It is packed with ideas. For example, on one page Mr. Davies advocates the establishment of a Select Committee on Public Corporations; on another a Ministry of Industry to take responsibility for nationalised industry. These are vital subjects, and it is to be hoped that the debate which "National Enterprise" so admirably inaugurates will be carried forward with great vigour.

Dr. Finer's book sets out more definitely to chart recent happenings, this time in the sphere of central government. It is in fact intended to supplement his "Theory and Practice of Modern Government," the massive comparative study of the governments of Britain, France, Germany and the United States which placed so many students in Dr. Finer's debt, and while this new book brings together much interesting material that would need to be sought in a number of places, it does not really achieve its primary aim. One gets the impression that the author has carried through a useful fact-finding programme but failed to digest his materials into a book. It is hardly fair of an author to hand over his essential job to his reader!

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While it is clear that Dr. Finer has a great faith in Democracy, at least one reader comes away with a very hazy picture of the Democracy in which he has such great faith—which may, of course, be the fault of the reader! Nevertheless, an impression is often created that Dr. Finer's thought is well ahead of his pen, and that he is not writing quite what he intends.

Our author raises the highly controversial problem of the correct attitude of the civil servant in a revolutionary situation. His two examples, Nazi Germany and Petain's France, the initial successes of which—Dr. Finer suggests—depended in each case a great deal upon the Civil Service, come from the same side of the fence, and he censures the civil servants for what appears to be their professional rectitude and their patriotism, however misguided these may be adjudged to have been. We are too close to-day to reach conclusions on this important problem, but it is certain that in situations of this sort the individual decision must rest largely upon what the public servant conceives to be his professional duty. It seems to me that, in view of the state of our world, this is one of the devils with which the young civil servant should be required to grapple as soon he enters upon his novitiate, and it may well be that we should require the services of a modern Locke to clarify the vital issues.

One of the most interesting sections of Dr. Finer's book deals briefly with the administrative consequences of the New Deal, and here one looks for more, for we do urgently need to know what has been going on at the administrative level in these other communities. Dr. Finer is so vividly aware of the administrative implications of these great political upheavals that one looks forward to a more profound study from his pen. Could he not, merely as a first step, republish Part VII of the "Theory" separately, perhaps with a supplementary section? This is the only comparative study of the modern civil services that we have, and I am sure students of public administration would welcome it as a separate book.

E. N. GLADDEN.

A History of Local Government

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By K. B. SMELLIE. (George Allen and Unwin.) Pp. 192. 7s. 6d.

A FOREIGNER, upon whom the antiquity and continuity of English institutions had been impressed, might be surprised to learn that the English system of local government is little more than a hundred years old. It is an illustration of this fact that Mr. Smellie's "History of Local Government" covers (apart from a very brief introductory chapter) only the period since 1832. On the other hand, while the system itself is of so comparatively recent an origin, the actual existing structure of areas and authorities dates back to the great acts of 1888 and 1894a comparatively long period, when it is recalled that the structure was moulded just before the introduction into common use of the telephone and the motor car. The acts of 1888 and 1894 seem to form a great divide in the history of modern English local government, and they stand out correspondingly in Mr. Smellie's story. For his theme is, firstly, the way in which the structure was developed from 1834 to 1894 in response to the demands of both democratic and industrial progress and, secondly, how the change of conditions since 1888 has provoked continuous adaptation and modification of the structure, though as yet, while often sorely strained, it has not so far been radically replaced.

It is perhaps surprising that there is as yet no definitive history of local government in the past century, to carry on the work done by the Webbs for the period from 1689 to 1835. There are studies of particular services, including

those in which the Webbs themselves carried their account of highways or of the Poor Law through the nineteenth century. The collection of essays published in 1935 under the title of a "Century of Municipal Progress" contains admirably illuminating articles—each written by an expert on his own field—upon both the principal features of the general structure and on some of the individual services. There are studies of particular local authorities, such as that on Manchester by Dr. Redford. But the history of local government in the last century must of necessity embrace in a related whole both ends of the story—the legislative and administrative activity of the national government on the one hand, and the experience and problems of the individual local authorities, with their mutual relationships, on the other.

Mr. Smellie's book, written as one of the new Town and County Hall series, contains in just under 200 pages a remarkable précis of the relevant dates, facts and general trends. Readers familiar with the author's "A Hundred Years of English Government" will not be surprised to find the same capacity for succinct, yet readable, compression. The same thoroughness of detail and comprehensiveness of record, and the same imaginative relation of events within the special field to factors in the economic and scientific development of the broader historical picture—the whole expressed in a swiftly-moving and vividly-phrased style. Yet the very success achieved in packing so much information into so small a space has inevitably caused other features to be omitted. The book tends to concentrate attention on the national level, upon the legislation of Parliament and the activities of the central departments. One can form from it no real picture of the life and work of even the most important local authorities, of the problems they had to face, and of the ways in which they tried to solve them; of the position of councillors or officials in the smaller authorities during this period, or of the relationship between one type of authority and another. In a work of this scope only the national pattern can be shown, but it does leave an impression that progress and development were characteristic of the central government, and that the rôle of the local authorities was merely to be "jollied along" by a group of energetic ministries. The second omission—again, one assumes, directly attributable to the lack of space-is that of any careful discussion of some of the underlying general problems of English local government. For instance, why and how did the committee system, so characteristic of English local government and of no other, come into being and develop? Why did it work so successfully in England, when in the United States it became virtually synonymous with corruption and inefficiency and had to be discarded? and many similar, fundamental questions are left unanswered, and sometimes even unasked.

But as a convenient manual for the student it fits in most suitably beside the other books in the series. It gives the student in handy form a complete picture of a century's history of local government, with all the dates and factual detail he needs to know. The teacher whose pupils are provided with it can rely on it to supply all the basic facts, leaving him free to open up more specialised problems or to discuss the general issues. It might be suggested, however, that its use as a manual would be enhanced when, as one hopes, it is reprinted, by the addition of an index, and the elimination of a number of misprints, e.g., John Cam Hobhouse subsequently became Lord Broughton, not Brougham (p. 16), and the Highways and Locomotives Act was passed in 1878, not 1872 (p. 80).

V. D. LIPMAN.

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By H. H. Ballin. (Electrical Press, Ltd.) 1946. Pp. xv and 323. 21s.

DR. BALLIN'S book is the best introduction to the new Electricity Bill that I have read. It gives a clear and incisive picture of the history of electricity supply in Great Britain since Joseph Chamberlain, then President of the Board of Trade, introduced the 1882 Electric Lighting Act into the Commons. His department was empowered by it to authorise new undertakings by provisional order or by licence (the latter a novel method in those days, which caused some suspicion, but which we are now getting used to). Local authorities were given purchase rights after a term of years over private companies, and in the '90s entered the field in force themselves-optimum units of generations were still small. fact over two-thirds of the orders granted by 1900 were held by public authorities (Dr. Ballin gives two incompatible figures on pp. 15 and 31, but the general picture is clear) and nearly two-thirds of undertakers are still borough and district

After 1900 the power companies developed and bulk selling made a little The Board of Trade banned amalgamations but otherwise remained An abortive attempt after the First World War to set up representative joint electricity authorities led straight to the 1926 Electricity Act and a Central Electricity Board controlling generation and bulk transmission, now to be replaced by a British Electricity Authority, to control distribution also through appointed

Area Boards which will supersede the existing undertakers.

Dr. Ballin's account of all this makes one thing clear. British Governments have never in this field found it easy to strike a line between a purely negative policy and expropriation. The State on the whole has acted as a depressant rather than a stimulant, and in the vacuum local jealousy and private irresponsibility have too often operated to check necessary advances. "In the early days the cost of transmission was . . . greatly influenced by the conditions and restrictions imposed by the existing legislation" (p. 36), some of it later abandoned. "The prohibition of formal amalgamation of statutory undertakings led to the growth of 'holding companies' . . . entirely free from public control and regulation" (pp. 41-2). It is interesting to learn in view of later developments that in 1908 "the emigration of industries out of London . . . caused serious concern to the government" (p. 71), and that in 1918 the Haldane Coal Conservation Sub-Committee was preaching the gospel of cheap power as the answer to our "output per head" problems (then exercising government as they do now). Dr. Ballin has interesting things to say about the "vague and complicated" relationship between the C.E.B. and the Electricity Commissioners written into the 1926 Act, and the strange mixture of judicial and planning functions that the latter were given—again, a foretaste of later developments in the field of State regulation; and he reminds us of the P.E.P. proposal for an Electricity Development Commission with powers to finance experimental extensions and the standardisation of distribution systems, and of the 1937 White Paper on Electricity Distribution—last and lost chances of a solution short of nationalisation.

And yet Dr. Ballin's book, for all its merits, remains in some ways unsatisfactory. In spite of much painstaking research he rarely gives us the feeling that he has penetrated through the debates, the White Papers, the statutes, and the articles in the *Electrical Review* to the underlying realities. A book of this sort might concentrate on any one of three aspects-the influence of political and economic attitudes and prejudices, the logic of administrative success and failure, and the economic and technical problems of the new service. Dr. Ballin tackles all three and inevitably none with complete success. But he has written a very

Macaulay in India

MACAULAY sailed for India in 1834 to take up the post, newly created by the Charter Act of 1833, of Law Member of the India Council. The spirit in which he approached his duties is visible in the speeches he delivered at home and in the minutes he wrote in India. From those minutes, preserved in the India Office, Mr. C. D. Dharker has compiled a selection with an informative introduction competently written and—to use a too common word for a too rare quality—entirely "objective" in character.¹

Macaulay announced that he was "determined to do justice to all races and classes." He wished to associate Indians, albeit gradually, with the service of their country. To fear that this meant the end of British rule in India was to him "inconsistent alike with sound policy and morality." The day when Indians, trained in that service, should demand European institutions he would hail as "the proudest day in English history." India could not yet have a free government, but "she may have the next best thing—a firm and impartial despotism." Upon that despotism might be engrafted "those blessings which are the natural fruits of liberty."

Our legislative draftsmen at Westminster must begin with a solid knowledge of law and some experience of its practice. They serve an apprenticeship and they "devil" their way up towards responsibility. Macaulay's equipment was more modest. Called to the bar in 1826 and joining the northern circuit, he deserted the law after a year or two and devoted his time to attending the House of Commons, to which he was elected in 1830. A solitary guinea (for prosecuting a boy for stealing poultry) seems to be all that his fee-book could show. But he took with him to India, as his minutes attest, a solid grounding in Benthamite principles, and he could write what he wanted to say. The Indian Penal Code, with its characteristic illustrations, is usually deemed his greatest success. Maine thought it was destined some day to be the model for the criminal law of England. Fate and Parliament decreed otherwise. Even India was slow to adopt it. Macaulay, toiling almost single-handed, had it ready in 1837. Then he returned to England and critics in India picked holes in his draft. Wars distracted the government, but somehow the Mutiny brought the Code forward again, and in 1851, after revision by Sir Barnes Peacock, it became law.

Mr. Dharker notes, among other features, Macaulay's views on legislative style, on the value of preambles and on the publication of the reasons for a law. We see Macaulay urging the freedom of the Press and discouraging suits in forma pauperis; a plaintiff with a good cause, he argues (though it may sound to us like champerty), will always find a money-lender to finance it. Many of his minutes and his measures deal with reform of the jurisdiction and procedure of the various courts in India. There may, by the way, be some readers who would have liked a page of glossary, on Hobson-Jobson lines, to translate or explain such terms as devani, adalat, sadar, amin, mansiff, and even mofussil and batta. But Indian strudents of his book will not need it. There should be many of them. We may hope that they, too, like Mr. Dharker, will look back to the Charter Act of 1833 and to Macaulay's work thereunder as "the starting-point of that uniform system of law and justice which are among the highest contributions of England to India."

C. T. CARR.

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¹Lord Macaulay's Legislative Minutes, selected with a historical introduction by C. D. Dharker. 1946. Geoffrey Cumberlege. Oxford University Press. 18s. Pp. 312.

Background to Indian Law

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By Right Honourable Sir George Claus Rankin, sometime Chief Justice of Bengal. (Cambridge University Press.) 12s. 6d.

THE book, written by a former Chief Justice of Bengal, purports to give the background to Indian Law, and as such the reader might have expected a very strong opening chapter reporting the salient events in the administrative and political history of India between 1661, when Charles II by Charter permitted the exercise of judicial powers by the East India Company trading in the East Indies, and 1861, the date of the Act of Parliament enabling the establishment of High Courts in the three presidency towns of Calcutta, Madras and Bombayin the territories of Her Majesty Queen Victoria. The reader is furnished with an index of dates, but it is confined to Acts, both British and Indian. Such an index does not help the reader to piece together the history of these two centuries, which appears in four different chapters. The material is presented in too fragmentary a manner to permit the reader to obtain a panorama of the whole background from which emerge the Indian judicial system and the law which it enforces. A study of certain chapters of the Cambridge History of India and the chronological table is pre-requisite. Having refreshed his memory the reader will appreciate the skill with which the material is handled and will be in a position to profit from the intense study to which it has been subjected.

The writer exposes the confusion of thought and the differences in practice caused by the impact of the laws and legal system of a virile western democracy on the archaic structure of a crumbling eastern autocracy. He relies on four very pertinent quotations: "We are trying to give a good government to a people to whom we cannot give a free government" and "We have to engraft on despotism the natural fruits of liberty." Again, "Nobody who has enquired into the matter can doubt that, before the British Government began to legislate, India was, regard being had to its moral and material needs, a country singularly empty of law," and "the principle of decision between native parties in all cases appears perfectly clear, but the difficulty lies (as in most other cases) in the application of the principle to practice." These four quotations epitomise the course finally taken by the draftsmen and legislators to whom the task of propounding the law was entrusted, and the author accepts their views.

The book clearly shows the difficulties of having to devise a body of law which could be applied to such divers creeds and customs as are those of Mohammedan, Hindu, Buddhist, Christian and Parsee. The author has studied a very wide field of research and the four historical chapters are full of excerpts from important documents written at the time by those arguing both for and against the introduction of a lex loci, the introduction of the principle of the law of the defendant, the retention of the Mohammedan and Hindu law, the establishment of Justice, Equity and Good Conscience as the final arbiter, the use of English Common Law, against haste and the introduction of needless formalities, for and against codification, for the gradual control by the Home Government over the Company, and the final independence of the Local Legislature from the Home Government. Now that the laws of India have been codified the interpretation depends upon the consideration of a Statute and not, as it does in England, in a Common Law system, on the discussion of a principle. A body of law has been evolved in a compact and serviceable form which, indeed, is what the officers of the administrative service of the country require.

It would be improper for me, an Englishman and a layman, to attempt to discuss the chapters on Hindu and Mohammedan Law. The greater portions

PUBLIC ADMINISTRATION

of the personal law have not been codified. Many litigants claim that they are not subject to it. But affairs in the lives of millions are still governed by it, and it is now the positive duty of an Indian jurist to acknowledge the spade work in this volume and to take advantage of it. It is seldom that after holding high office for a space of twenty-six years an official has the will and energy to record the fruits of his experience, much less to start again at the beginning by intensive research. Sir George Rankin has done so after such a lengthy period in a troubled province—and at the age of 67. It is unfortunate he has not lived to receive the compliments he so richly deserves.

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The Water Act, 1945, with Introduction and Annotations

By E. GILBERT WOODWARD, M.A., B.C.L., Barrister-at-Law. (Charles Knight & Co., Ltd.) 1945. Pp. xiv and 352.

In April, 1944, the Government White Paper on National Water Policy appeared and 14 months later the Water Act, 1945, giving effect to the major part of this policy, received Royal Assent.

This statute, which is the most important Water Act since the Waterworks Clauses Act of 1847, for the first time makes the Minister of Health specifically responsible for promoting in England and Wales the provision of adequate water supplies, the conservation of resources and the carrying out by the various water undertakings of the National Water policy under the Ministry's direction and control. There is also set up committee machinery to advise the Minister on water questions generally and, where necessary, to plan in advance of future local requirements. In place of the old standard code of the Waterworks Clauses Acts of 1847 and 1863, a new set of standard clauses is provided for incorporation by Order in existing or future enactments.

Mr. E. Gilbert Woodward opens his book with a useful explanation of the general scope of the measure and a description of its legislative effect. He explains how the Act makes a "comprehensive attempt to fit the waterworks code to modern conditions in a general Act instead of a series of special and local Acts," and how it is also eventually intended to assimilate the two types of water undertakings, which at present exist side by side, namely, the earlier type operating under a Special Act and the later operating under the Public Health Acts.

The remainder of the book comprises various texts. In addition to the Water Act, 1945, certain other supporting statutes mentioned in that Act are reprinted, and the provisions are also given of the important Acquisition of Land (Authorisation Procedure) Act, 1946, which repeals the Second Schedule of the Water Act and changes the mode of acquiring land by water undertakers. There are also included certain Statutory Rules and Orders, a table of cases which may have relevance to the new Act, and a useful index.

The author refers in his preface to the fact that the Water Act, 1945, is "a difficult Act to understand, since so much of it contains modifications and extensions of the law which is contained in private Acts of Parliament." He is to be congratulated on presenting his subject-matter in a form which overcomes many of these difficulties.

H. J. LIDDINGTON.

Town Planning Law

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By J. CHARLESWORTH, LL.D. (Stevens & Sons, Ltd.) 1946. Pp. 160. 10s. 6d.

In his preface Dr. Charlesworth says that this book is intended to be an explanation of Town and Country Planning law to all but those who require the detailed knowledge which is only obtainable from larger works on the subject. His expressed hope that it may satisfy their needs has certainly been realised, for it is ideal for this purpose.

He has not adopted the easy expedient, so frequently utilised in the last two years, of reproducing, with notes, the various statutes relating to the subject, but has gone to the trouble of co-ordinating the many Acts and Regulations and paraphrasing them into simple and understandable language, with the result that he has produced a coherent description of the law as an intelligible whole. Although this work has been prepared primarily for the sake of the layman, the manner in which the various legislative provisions have been welded together ensures that it will prove a most useful guide to the lawyer whose practice only occasionally touches upon town planning law: such a reader will, of course, appreciate that difficult points of detail and interpretation have been deliberately avoided and that, since publication, the Building Restrictions (War-Time Contraventions) Act, 1946, has become law and must now be considered in relation to town planning problems.

The chapter on statutory undertakers is open to the criticism that it fails to differentiate between the control of development by a statutory undertaker in the interim period and under an operative scheme.

Although this small volume contains only 160 pages it deals not only with what may be termed pure town planning law but includes also adequate references to such relevant statutes as the Advertisements Regulation Acts and the Ancient Monuments Acts, whilst separate chapters are devoted to housing, so closely related in these days to planning, and to the restriction of ribbon development. The references in the Introductory chapter to some of the practical administrative difficulties with which the planner is confronted should be read by all critics of local planning officers.

This is a book which will undoubtedly be welcomed by all who are affected by, or interested in, the extremely complicated legislation with which it deals, and it is to be hoped that Dr. Charlesworth will produce an equally readable and instructive work upon the Town and Country Planning Act, 1947.

DOUGLAS F. BULL.

Design for Rainhill By Watson Garbutt, A.M.I.Struct.E.

This publication by Whiston Rural District Council is a spirited proposal for the "expansion of a village near Liverpool into a new community town" of 20,000 inhabitants, coupled with a plea for the local residents' goodwill towards the scheme. Its main interest is in the problems it poses as to who should plan and what sort of locality should be planned.

Under the Town and Country Planning Bill, December, 1946, planning responsibility is transferred from the smaller local authorities to counties and county boroughs. "Design for Rainhill" emphasises the soundness of this stipulation. The author, who represents Whiston R.D. on the Merseyside Advisory Joint Planning Committee, has been aware that a settlement within a conurbation

cannot be planned in isolation and makes his proposals for the new town within the framework of the Merseyside Plan, 1944. But he obviously also relies on the larger authorities for surveying and planning the demographic, social and economic composition of the future town and for the allocation of new industry. Apart from some information on the main factories in the area, no data are given on these subjects.

As to the kind of settlement which is to be developed, the author applies the concept of a self-contained town, without questioning its adequacy in the prevailing conditions. Seeing that Rainhill is continuous with Prescot, a couple of miles from St. Helens, and within easy reach of Liverpool, it seems quite unrealistic to design it "in the semblance of a new Community Town." Interchange of workers between Rainhill and the rest of the conurbation is bound to continue and is desirable in the interest of balanced, varied employment. The independence of the new locality in matters of services of all kinds will be sapped by the pull of Liverpool and the other larger towns nearby, which are necessarily superior (and not always less conveniently situated) in the provision of shops and banks, theatres and art gallery, library and legal advice, and so forth. This does not mean to say that there should be no social provision locally, but the ambitious layout proposed for the town centre of the new Rainhill is liable to result in disappointment. A settlement within the urban fence cannot achieve the independent community life of a detached town. An indiscriminate endeavour to localise people's lives will only discredit the idea of community and neighbourhood planning. KATE LIEPMANN.

Community Centres as Living War Memorials

A selected Bibliography with Interpretative Comments. Compiled by James Dahir. (Russell Sage Foundation.) 1946. 50 cents.

In our time various factors—the rising status of women, increasing leisure and widening spending power—have coincided with the decline of earlier social institutions to strengthen the claim for much fuller and broader provision for social activity outside the home. The need for such provision in this country has been reinforced between the wars by the extremely rapid dispersal of a large section of our population from the close-knit neighbourly slum streets to the sparse and lonely "garden suburbs." Many of these new estates completely failed to provide communal buildings, and by this omission have undoubtedly aggravated the social sterility of suburban life. The lesson has been taken to heart, and we can be satisfied that in future the buildings will be there. But despite the confidence and enthusiasm of town planners, we still know so little of natural social groupings in a modern community that the scale, the form and the location of new community buildings must needs be experimental. What remains therefore is to ensure that they are so conceived and designed that they may contribute to the realisation of our new social objectives.

In the United States the need to encourage a neighbourly policy by means of Community Centres has been recognised, if no more clearly, at least as forcibly as elsewhere. The work under review consists of an extremely useful list of references to the subject, and provides a fund of practical—if at times conflicting—guidance to those who may wish to promote and run a Community Centre in their own locality. While drawing on the aims and experiences of Great Britain and Canada as well as of the United States, the main line of argument reflects America's traditional reliance on self-help and self-betterment,

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which is still largely unchallenged. By drawing together the literature on Community Centres with the proposals for Living War Memorials, the author ably pleads for a practical means by which communities may, in a conscious enrichment of democratic society, perpetuate their remembrance of those who fell.

Many thinkers are concerned at the final effect on public morale of the form of State paternalism which now increasingly guides our lives. It is certainly true that we feel more respect for a club which we have had a hand in creating than we ever can for a building which derives from the seemingly inexhaustible coffers of an unseen and impersonal agency. One of the profoundest issues of our developing society is how public resources may be harnessed to stimulate, and not to suffocate, local initiative and local responsibility for social advance. If in this dilemma we digest the unfolding experiences of America, whose unique wealth and unprecedented aspirations contrast with her relatively undeveloped scale of public intervention, we may ourselves be guided towards the maturer solution to which we all aspire.

The Borough, Urban and Rural Councillor

By NEVILLE HOBSON, M.C., J.P. (Shaw and Sons.) 1947. Pp. xvi and 836. 30s.

Mr. Hobson, who is Clerk of the Beverley Rural District Council, Vice-Chairman of the Rural District Councils' Association and member of the Railway Assessment Authority, needs no introduction to local government circles, where he is known as a champion of the smaller authority distinguished no less by his learning than by his wide humanity and breadth of vision. He has now written a quite remarkable book. It is arranged alphabetically by subjects, which together encompass the whole range of the responsibilities of non-county borough and district councils. Under each heading he sets down with impressive clarity all the facts of law and practice, the general principles and the administrative details, needed to be known by both members and officers, and rarely fails to illuminate the whole with wise and telling comment. The result is a volume which many councillors and local government officers will wish to have upon their desks, though I suspect (such is its character) that it may gravitate thence to become their favourite bedside book. It is to be hoped that it will also be seen by many of those in the Central Departments who deal with our local authorities and show what to some of us appears a regrettable preoccupation with the county and the county borough, as though below that level nothing existed or were desirable.

There is a good index and a table of cases, and the book is finely printed and well bound.

D. R. W.

Our Contributors

Contributors to this issue include Mr. Frederic Milner, who is Commissioner and Director of Examinations of the British Civil Service Commission; Dr. Katherine A. Frederic, who is of the United States Civil Service Commission; Dr. Katherine A. Frederic, who is of the United States Civil Service Commission; Mr. Don K. Price, who was once a Rhodes Scholar at Merton and is Associate Director at the Public Administration Clearing House, Chicago: he is the American correspondent of the Journal; Mr. Donald C. Stone, who is Assistant Director of the Bureau of the Budget in charge of Administrative Management, and who has been actively associated with the Public Administration Service, Chicago; Mr. Ronald E. Gregg, who has been Executive Secretary of the Municipal League of Toledo since 1940. He is also Research Director of Toledo's Post-war and Long-range Planning Committee.

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Silver Jubilee 1922-1947

The Rt. Hon. Sir John Anderson, P.C., G.C.B., G.C.S.I., G.C.I.E., M.P.

As President of the Institute and one of its early members, it gives me pleasure to participate in the commemoration of its foundation, twenty-five years ago. I have recollections of the hopes and aspirations which attended the beginning of the Institute's effort to unite in one body those members of the Civil Service and the Local Government service who were concerned to develop public administration to the highest possible point, and were alive to the importance of associating with themselves in this enterprise those in the academic world, particularly in the universities, who were engaged in the study of government and the teaching of students who would enter or had already entered the actual field of public administration.

A backward glance over the years that have passed brings into view a record of solid achievement which, if less spectacular than some of the founders had hoped for, has fully justified the inauguration of the work of the Institute, its maintenance up to the present time and the intention to make this Jubilee Year the beginning of a period of increasing activity and more widespread service.

The value of the work already accomplished is well reflected in the Classified Index recently published, covering the contents of PUBLIC ADMINISTRATION during the first twenty years of its existence. A scrutiny of this index, however cursory, reveals the extent of the field of public administration, shows how considerably it has been explored by the Institute and indicates much of the effort necessary to ensure its more fruitful cultivation. A noticeable feature is the emergence into greater prominence, during the second half of the period, of the discussion of administration in the sphere of economics and social relationships, a development which is definitely marked by the appearance in January, 1937, of an address by my predecessor, Lord Stamp, whose lamented death was one of the great losses inflicted by the war. This address he entitled "The Administrator and a Planned Society," but, if I remember rightly, he said it envisaged rather the place of the public servant in a semi-planned society.

Certainly there came into view in the journal and in the proceedings of the Institute, even before the war, the need for greater attention to the administrative problems which have arisen from the development of functions of government that are creative rather than regulatory and demand, in addition to the older virtues of integrity, sound judgment and steady responsibility, qualities of initiative, freshness of outlook and quick responsiveness to new situations; and require with these a marked capacity for business-like organisation. The necessity for an Institute of Public Administration is greater than ever. The pooling of knowledge and experience and the making of personal contacts for which the Institute provides opportunities can be of immense value, and I sincerely hope that the devotion to the public welfare which distinguished its founders will be matched in the members of the public service, central and local, of the present day.

Sir Edward Bridges, G.C.B., G.C.V.O., M.C.

(Permanent Secretary, H.M. Treasury)

THE lessons taught by practical experience have always stood high in the ways of thought and methods of work traditional in this country. Many changes, which elsewhere would have meant a break in continuity have, with us, been brought about by adapting what already existed, to meet fresh needs or novel purposes.

Nowhere is this more evident than in Public Administration. Nowhere is there more to be gained by pooling what has been learned by those who have worked in different fields: while those who have long been immersed in administration gain greatly by standing aside for a while from the day-to-day questions which beset them, to reflect on what it all amounts to, or to be told how it looks to others.

It is for this exchange of ideas on common problems that the Institute was founded, and by none are the opportunities which it affords more valued than by the Civil Service.

The Institute's Jubilee falls, moreover, in a period when the responsibilities of all those engaged in Public Administration have been greatly increased. It should serve to remind us of the high traditions handed down to us, and to spur us to give of our best in these times of profound change.

Sir Cecil Oakes, C.B.E., LL.M.

(Clerk of the Peace, Clerk of the County Council and Clerk of Lieutenancy, East Suffolk)

To me one of the greatest achievements of the Institute has been the bringing together of men and minds who are charged with carrying out the policy framed by the legislation, both those at the centre and those in the outfield: these are the people whose loyalties are directed to achieving best results for the people of this country irrespective of the policy of the framers of the legislation administered. This tradition is not known to anything like the same degree under other constitutions; it has tended to stability in government particularly during the troubled years between the wars as during the last war.

The second feature of note has been the encouragement of study of the philosophy of government, a subject not attractive to the average Englishman, but one deserving and requiring serious study if we are to meet competently increasing world competition in every branch of trade and commerce. The science of administration is worthy of most detailed investigation and comprehensive discussion if we are going to keep the pattern in line with our needs.

Research into methods, procedure and organisation is well worth the most concentrated attention of some of the younger men, and this branch of the work of the Institute should in my opinion be supported more adequately by those engaged in administrative work, even at the cost of sacrifice of leisure, and not left to those who are removed by age or circumstance from the hubbub of the me-ket place.

To the pioneers who founded the Institute and have contrived to foster its growth until it has become a world-wide organisation, the grateful thanks of those engaged in the practice of administration are due in ample measure. They can look back with pride on the work of the Institute during its adolescence, and they

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are justified in hoping that it will receive continued and increasing support so as to enable the Council to expand its activities to the benefit of the members and of the community which they serve.

Sir Cyril Hurcomb, G.C.B., K.B.E.

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(Chairman, British Transport Commission)

As one of its original members I am glad to join in congratulations to the Institute of Public Administration on the attainment of its Silver Jubilee.

The pages of its Journal show how deep and consistent an interest the Institute has always taken in the principles which should govern the administration of public corporations and concerns. Its leaders foresaw that this type of organisation was likely to become an increasingly important development in the country's economic structure, and arranged that in its meetings and in its publications time and space should be devoted to discussion of the numerous problems which such development would present if it occurred. Frequent articles, from authoritative hands, have appeared in the pages of the Journal, covering every aspect of this form of managing and operating public utility services, which may be regarded as still in an experimental stage and not yet stereotyped even in its general pattern. Care has also always been taken to review at length books dealing with similar developments abroad, and particularly in the United States. This material undoubtedly provides a valuable source of information for all those in Whitehall and outside who have to deal with the establishment of these new bodies.

If I were asked whether the material so made accessible has been studied and utilised as fully as it deserves, I should hesitate to give an affirmative answer. Our men.bership should, in my opinion, include a far higher proportion of the administrative grades of the Civil Service than it has hitherto attracted, and I hope that, in the next period of its existence, public administrators will support the Institute of Public Administration more actively and more solidly. It meets a real need and deals with many questions of direct interest to civil servants and to the growing body of officers and servants of public boards. It should be assisted by wider membership to exert wider influence.

The Public Accountability of the Corporation

By SIR HENRY SELF, K.C.B., K.C.M.G., K.B.E.

I.—THE SCOPE OF THE SUBJECT

THE scope of this lecture, itself confined to but one aspect of the subject of the Public Corporation can only be determined in knowledge of the relevant facts. If we first explore the facts it may be found that the problem will itself determine the subsequent course of the argument, which will in turn indicate the possible solutions. We must follow the argument wherever it leads, and its solutions will then stand to be assessed by their relative merits and virtues against

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the general background of competing policies and aspirations. The views expressed in the course of this lecture will, of course, be purely personal and must not be taken to reflect any implication of the official standpoint. I give you the problem as it seems to be shaping against the developing picture of the socialised industries and the new conceptions which are taking shape in that field.

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For the purpose of this study the Public Corporation has been considered in its current stage of development. Its history has already been outlined to you in earlier lectures, passing, for example, through the establishment of the Central Electricity Board, the British Broadcasting Corporation and the London Passenger Transport Board to the setting up of the latest Public Boards entrusted with the overall control and operation of certain essential strands of national life—the National Coal Board, the Public Airways Corporations, and the projected Transport Commission and Electricity Authority, etc. If you will trace the line of this development you will notice one critical consideration which is very relevant to the present study, viz., that the earlier Corporations were not subject to Ministerial direction, whereas the new Corporations and Boards are specifically made subject, by statute, to Ministerial direction in matters of policy and of general character affecting the national interest.

There has thus developed a new machinery for the execution of such forms of national activity as call for State operation through the medium of Public Boards. It is fundamental to this new pattern that the Boards so appointed shall have freedom in the day-to-day management of their affairs whilst being subject to Ministerial direction in matters of general policy affecting the overall national interest. Such a development of the administrative machinery, under which the nation has decided to entrust certain strands of its industry to State Boards, must inevitably imply a parallel review of the means by which the nation will expect these national undertakings to answer for their activities and to render an account of their stewardship. This is what I understand to be implied by the term "Public Accountability."

Before proceeding further I must point to the distinction which must be made between those Corporations which are subsidised and those which are not. The former will be in receipt of grants from public funds which must be subject to the normal procedure of review, whilst the latter will be self-supporting industrial undertakings operating on a normal business basis. The discussion in this lecture will necessarily dwell more fully on the former in an endeavour to show the procedure by which account should be made to the nation of the manner in which public funds are expended. It must be emphasised, however, that the self-supporting Corporations will be free from such aspects of accountability which arise through receipt of grants from public funds.

Equally important is the need to be clear as to the various facets under which such public accountability might arise. The Corporations stand in a multiplicity of relationships, and it may well be that many of these present some special aspect of public accountability. It might be well, as a first step, briefly to review the various aspects under which such relationships arise. Of these, the prior relationship is, I submit, towards the State as such.

II.—RELATIONSHIP OF THE CORPORATION TO THE STATE

(a) International Relationships

One of the primary responsibilities of the State is that of preserving the national status in all aspects of international relationships. This covers the whole field of foreign policy in its widest interpretation and embraces matters of trade

PUBLIC ACCOUNTABILITY OF THE CORPORATION

and economic development such as those which are now under active study by the International Trade Organisation, as well as the far-reaching developments now proceeding through the United Nations Organisation and related bodies such as the Social and Economic Council. It is reflected further in the field of international finance in relation to the policies taking shape under the International Monetary Fund and the International Bank, and in international labour policy in the activities of the International Labour Organisation set up by the League of Nations and now continuing its work under the United Nations Organisation.

The picture of these basic international activities cannot be complete without mention of such special considerations as, for instance, civil aviation, where there is a particular need for the State to maintain its standing within such a field of international activity, since full participation is necessitated by the interests both of trade and of foreign policy.

In all these matters, therefore, the State must be in a position to guide the Corporation's activities and to ensure that the policy which it follows will conform with the overriding national objectives. It follows that there must at the same time be a special measure of accountability by the Corporation to the State for promotion of the overriding national interests abroad.

(b) Internal Economy of the Nation

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In parallel with international considerations, the State has particular responsibility for the internal economy of the nation, and here, again, in order to meet that responsibility, the Corporation must be subject to policy guidance on matters where overriding national interests arise. This raises a particularly difficult problem in accountability from the point of view that there are bound to be occasions when there will be a divergence between the special interests of a particular industry and the overriding national policy.

In relation to private industry such a divergence of interests would normally be regulated through trade associations and other such standard machinery in its relationship with the Government. The public Corporation, however, has a responsibility transcending that arising from normal trade obligations: it is the instrument chosen by the State to operate certain forms of national industry, within the national policy, for the benefit of the whole nation as well as to ensure efficiency of operation. It is, therefore, not only possible but almost inevitable that occasions will arise when the scope and policy of the Corporation's activities will have to be adjusted to the greater national policy and directed to the benefit of other aspects of the national economy. A good example of such a divergence of interest and the effect on the Corporation is the recent decision of the Government that British Airways Corporations must achieve the best possible results with aircraft produced by the British aircraft industry and are not to be allowed to buy more efficient aircraft from abroad: in other words, the air operators have to order their activities by reference to the overriding needs of the aircraft manufacturing industry as a vital strand of the national economy, even if this entails some sacrifice of efficiency and failure to achieve economic operation.

This is just a brief illustration of one line of development arising from the operation of industry through a public Corporation which will call for different methods of handling and different and often difficult decisions of policy. The problem will be to ensure that the maximum efficiency is achieved despite the added difficulties and despite the possibility that formerly accepted techniques may have to be adapted, on occasion, to meet higher considerations of national policy.

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(c) Defence of the Realm

The overriding responsibility of the State for Defence of the Realm must also be considered in its application to the State's participation in industrial and other national activity. The public Corporation must clearly be brought much more closely into relationship with the needs of defence than might be either possible or appropriate with private industry. It is obvious that there must be from time to time a special review of the extent to which the peace-time operations of a civil industry must be subordinated to defence considerations, and it is equally clear that this is a position in which the Corporation must stand in a special relationship to the Government, and vice versa.

(d) Accounting for Efficiency

As the instrument of Government chosen to operate a national industry the Corporation stands as a steward to the nation, answerable for its activities and achievements. It is thus in a special relationship to the nation in accounting for its efficiency. There has been recently some public discussion centred upon the efficiency aspect of State operation of industry, urging that policies and programmes should be regularly reviewed by the Government and suggesting that there should be "efficiency audits" from time to time.

This is one of the most difficult problems facing the Government and nationalised industry, and one which moreover varies substantially as between grant-aided and self-supporting Corporations. It is a rather different aspect from that of the taxpayer's concern with the general affect on the national economy which arises from the viewpoint of the nation as shareholders in the undertaking; that aspect will be discussed later. Here, the Minister is concerned to satisfy himself that the Corporation is efficient since in the last resort he would presumably be called upon to exercise his powers to change the membership of the Board of the Corporation if he was not satisfied with the efficiency achieved. At the same time it is important to stress that the public Corporation must be allowed to retain complete freedom in its day-to-day management. The fundamental problem, therefore, resolves into the fact that whilst, in the public eye, the sponsoring Minister must ultimately be able to satisfy himself that the Corporation is being efficiently run, any arrangements made for periodic approval of programmes or carrying out of efficiency audits must in no way infringe the accepted principle of freedom of management.

In the case of those Corporations which receive a grant from public funds it is, of course, necessary to prepare programmes and annual estimates in order to justify such grants, and it is clearly necessary at this stage to carry out some form of check of the basis on which the grant is based. It is an essential feature of the administration of such grants that they should be determined before the programme is actually implemented, and that thereafter the Corporation becomes responsible for the execution of the programme without interference. The next check then comes with the subsequent review, prior to the following year's grant, and the Minister is enabled to take past achievements into account in determining the amounts of future grants.

This method of checking on efficiency in operation is not, however, a course which can be followed with the Corporation which is not in receipt of public grants. Here the problem is much more difficult to solve to the satisfaction of all parties, and it will probably prove to be the case that the Minister will need to have special regard to the Annual Report submitted by the Corporations as a means of bringing to a focus the knowledge which he will have acquired from time to time.

PUBLIC ACCOUNTABILITY OF THE CORPORATION

III.—RELATIONSHIP OF THE CORPORATION TO PARLIAMENT

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The public Corporation is not of course normally in direct contact with Parliament, but its relationship is directed through the medium of the sponsoring Minister. It is the Minister's responsibility, therefore, to meet all Parliamentary enquiries and criticisms in the normal course of events. The possible openings for such criticism, apart from that of the normal Parliamentary Question and Answer, will vary with the form of the Corporation, and will turn largely on the prior question of whether or not the Corporation is receiving a grant from public funds.

(b) Grant-aided Corporations

If the Corporation is subsidised or in receipt of direct remuneration from Exchequer funds it is obvious that the actual or estimated grants to be made will have to be assessed annually and in advance. This assessment is included in the annual estimates of the Department responsible for the Corporation, when presented to Parliament, and will thus be subject to debate under the normal Estimates debate procedure. In addition, when the Departmental Estimates are selected for examination by the Select Committee the forms of grant included in the Estimates will equally be open to examination. Here the Permanent Secretary of the Department, as Accounting Officer, is concerned to justify the provision included in the Estimates for grants to the Corporation. He will, of course, have conducted a close examination, with the Corporation, of the programmes upon which the proposed grants are based, and he will, therefore, be in a position to place before the Estimates Committee such relevant information as he may have obtained in his examination with the Corporation. The Estimates Committee will thus be able to satisfy itself, and so Parliament, that the proposed grant has been based on considerations reflecting efficiency of operation within the overriding possibilities of the national policy.

The main debates on the Estimates themselves will provide a parallel opportunity for Parliament to review the efficiency of the Corporations, and the Minister will no doubt be expected to reply to such comments on the operations of the Corporation as may be raised.

In both of these events, however, it is a cardinal principle of the position that the review would be prior to the execution of the programmes for which the grants would be payable: the execution of those programmes must remain fundamentally the responsibility of the Corporations. It would seem to be a natural corollary that Parliament, both itself and in its Committees, should refrain from enquiries into the day-to-day management of the Corporations between the time of the presentation of the Annual Estimates and the final submission of the Annual Reports and Accounts at the end of the period.

(c) Self-supporting Corporations

Whilst the programmes of the grant-aided Corporations come under examination in relation to the Departmental Estimates, as described above, the position in regard to examination of the non-subsidised Corporations' plans in advance of their activities is much more difficult. In the absence of specific provision in the Government Estimates for financial payments to them there seems to be no natural opportunity for an annual preview of the Corporation's operations as opposed to the review ex post facto offered by the Corporation's Annual Report. It would seem, therefore, that the opportunity for debate would turn upon the discussion of the Minister's personal salary—i.e., on a formal motion to move

a reduction in his salary to permit discussion of the activities of the Corporations with which he is concerned. It would only be by some such procedure as this that a debate could be initiated on the activities of the self-supporting Corporations, during the passage of the Estimates of the sponsoring Department.

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(d) Annual Report and Accounts

There is one outstanding opportunity, however, for Parliamentary review of the Corporations' activities, whether grant-aided or not, and that is on presentation of the Annual Reports and Accounts of the Corporations, which are normally required to be presented to Parliament. Following presentation the accounts will presumably come under examination by the Public Accounts Committee. Here, again, it is the Permanent Secretary as Accounting Officer who normally answers to the P.A.C. for the contents of Departmental Accounts, but his status in relation to the Corporations which his Department sponsors would seem to be limited to responsibility for the form of accounts rather than for He would, of course, answer for any financial transactions their contents. between his Department and the Corporation, which would be reflected in the Departmental accounts. He would similarly answer for any specific instructions issued to the Corporations, but without entering into discussion of the manner in which they had been carried out. Again, in the case of the grant-aided Corporation he would be expected to answer for any variations in the payments made from public funds to the Corporations as against those foreshadowed in the Estimates.

In all the foregoing the examination of the Accounting Officer would not extend to matters of management, and the Corporation would thus retain the responsibility of full accountability implied by its freedom of management in its day-to-day affairs.

(e) Summarising

In brief, therefore, the position at the present stage of development of nationalised industry seems to be that Parliament, as the Nation's trustee, may expect to have:—

 (i) periodic opportunity at the Estimates stage for general discussion of the Corporation's activities, more particularly in the case of the grantaided body; and

 (ii) an annual review of the Corporation's operations over the past year on presentation of the Report and Accounts.

Between these two stages it would seem that there should be a "closed season" during which the freedom of the Corporation's management will be given its rightful scope without being brought under day-to-day review. This position suggests itself as a reasonable satisfaction of the rights of Parliament to have adequate opportunity to review the activities of the Corporation on behalf of the nation as the owners of the equity.

IV.—RELATIONSHIP OF THE CORPORATION TO THE PUBLIC

(a) National Economy

Turning now to the direct concern of the public in regard to the Corporation and its activities, the prior interest is, perhaps not unnaturally, the interest of the consumer in the efficiency and cheapness of the supplies and services rendered. The public Corporation, as a monopoly concern, is faced with much public criticism, and it will be an especially difficult problem to determine how far it can develop its operations on the basis of expecting to recoup the costs involved by its own desiderata in relation to methods, policy and scale of operation. These may at times come into conflict with the overriding needs of the national economy and the necessity for special regard to the problem of ensuring that the supplies are available not only in quantity, but also in the quality and price range which the nation as consumers can sustain.

This is a problem of far-reaching proportions which will call for very thorough treatment in the process of evolution of the Corporations and the development of their public accountability. The absence of the east wind of competition will make it the more essential to safeguard the overriding public needs.

(b) National Finance

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In parallel with considerations of national economy are those of national finance and the need to ensure that the principles governing the Corporations' activities conform with those of the national financial picture as a whole. This is a double problem, springing firstly from the fact that the Treasury, as the nation's trustee, functions in effect as the ultimate guarantors for the Corporations' activities. At the same time there arises the problem of ensuring that the soundest principles of financial practice are applied in the Corporations' activities, for example, in the matter of the provision and allocation of reserve funds.

This particular aspect is covered by special statutory provisions in regard to most of the public Corporations. It will still remain necessary, however, to maintain a close balance to ensure that a proper reconciliation is worked out between the legitimate claims of the industry as opposed to the rightful aspirations of the nation—the former claiming to have profits ploughed back into the business as against the latter's desire for reduction of prices, ending of subsidies or some return on the business by way of profit to the nation as its owners.

(c) The Stockholders v. Equity

This question of the expectation of the nation to some return on their holding leads to the further problem of the special position of the stockholders who provide the initial capital. The fundamental principle here is that the equity in the public Corporation vests in the nation, and that the Stock Issues, being guaranteed by the Treasury, carry a fixed interest and are redeemable over a period of time. Thus, although it is necessary that there should be accountability to the stockholders, yet since their capital and interest is guaranteed and there is in addition a Redemption Fund, the accountability for proper financial regulation of the Corporation's affairs must ultimately lie to the nation itself through the various channels discussed earlier in this lecture. There is, however, the final consideration that in setting up these Corporations there is normally provision for prior Treasury approval in all major financial transactions affecting the capital holding.

(d) Public Appreciation and "Best Employer" Practice

In ensuring that the national economy is benefited and not impaired by the activities of the Corporation, the importance of public appreciation that these Corporations do in fact operate to the national advantage must not be disregarded. This entails the somewhat elaborate machinery which is being built up of Appeals Tribunals and similar bodies to adjudicate or advise on public representations in regard to the services and supplies rendered by the Corporations and to ensure that they are forthcoming to the extent required by and at rates compatible with the overall national economy.

Examination of the scope of public interest in the Corporation, its being and its activities, calls also for some reference to the accountability of the Corporation for conformance with "best employer" practices in its handling of the large numbers of employees within its concern. But it is perhaps unnecessary here, in view of the full explanation of the Corporation's general position which you have already hard, to digress on to such matters as the promotion of welfare and terms and employment which remain, however, one aspect of the public accountability of the new Corporations.

V.—METHODS, DEGREE AND PROCEDURE FOR REGULATING PUBLIC ACCOUNTABILITY

(a) Definition of Powers

In setting up the public Corporations most statutes will be found to provide for clear definition of the powers to be vested in the Corporations: this definition can be regarded as analogous to, and will take the place of, the Memorandum and Articles of Association of a limited liability company. This will provide the basis for a clear and general public appreciation of the scope of activities open to the Corporations as well as the method by which an account of their stewardship shall be rendered.

The Government control, to be effective while not restrictive, must ultimately rest on the power to give general directions on matters affecting the national interest. These will need to be very carefully drawn, and the effect of their application noted. For instance, it has been thought necessary in some cases to make special statutory provision for reference in the Annual Reports to any such directions given in the preceding year. This will enable special attention to be focused on the effect on the Corporation's activities of the directions given and the degree to which the desired objective has been achieved.

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(b) Day-to-day and Long-term Regulation

It is perhaps one of the most important links in the efficient, smooth and successful running of the new public Corporations with their accountability to a Minister for general policy, that there shall be worked out some full form of machinery for exchanges both between the Minister and the Board, and also between the body of the Corporation itself and the Government Department, to facilitate regulation of their day-to-day business from the overall policy view-point. These exchanges must be entirely harmonious and based on mutual goodwill and understanding if they are to effect the necessary collaboration between the two sides without intrusion on each other's spheres. There is here the need for a very special technique to be developed, and it will be largely governed by the concepts duly shaped to reflect the public accountability of the new Corporation.

The formulation of annual and long-term programmes calls for similar working arrangements, especially in the case of those Corporations in receipt of Government grants. The preparation of such programmes under conditions of close collaboration between Corporation and Government will enable a relationship to develop and be regulated on the basis of mutual confidence and understanding which is so vital to the proper and healthy growth of this new form of State trading. It will, at the same time, give a clear approach to the problem of ensuring that the national needs and plans are fully known and appreciated by the Corporation as well as ensuring that the scope of its activities accords with the national interest.

(c) Procedural Problems

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Turning to questions of procedure we meet with a number of problems in the detailed application of the above practices. There are in particular those problems connected with the determination of the rate pattern and the system of Appeal Tribunals. Again, some of the most difficult problems which arise in connection with a monopoly organisation of this sort are those in the international field and concerned with its relationship with the comparable enterprises of other countries which may not be based on a similar national concept.

This last question itself sets up a new series of problems which will require careful thought in working out a technique suited to the needs of an intricate inter-weaving of national interest and private enterprise. It certainly emphasises the necessity to build up machinery for collaboration, within legitimate limits, with other trade interests throughout the world, but the pattern of the machinery so devised must at the same time ensure that there is no "ring" operating to the detriment of the public interest. This difficulty has already been experienced in the sphere of civil aviation, and the possibilities of a successful solution are well illustrated by the active collaboration now being achieved between the International Air Transport Association, which is the association of operators, and the International Civil Aviation Organisation, which is the association of Governments. In any such machinery it is essential that there must be some form of safeguard for the Governmental position in the ultimate definition, and in the illustration given above this is covered, for example, by the measures provided for Governmental review of air rates, discussed and agreed in the first place by the association of operators.

(d) Enterprise and Progress

In all of this difficult and intricate weaving of interests—national, international, industrial and private—there is one more important strand which must not be forgotten or be allowed to atrophy. On the contrary it must be kept well to the fore, and encouraged and fostered at every stage. That is "enterprise," and enterprise not only in current activities but, even more important, in looking forward to future possible developments.

The former is obviously the responsibility of the organisation itself to develop, but it will naturally be possible for the Government to finance enterprise by public Corporations towards new developments more readily than it would be if the effort were scattered or dependent on individual initiative. One predominant feature of public grants to Corporations will be that they should stimulate efforts to introduce far-reaching developments which will ultimately react to the advancement of efficiency and so to the improvement of the quantity, quality and price of the services rendered. There is in addition the consideration that by means of the public grant it is possible when necessary to bring in such far-reaching developments ahead of their economic feasibility. This involves a delicate adjustment of the balance of returns and is a very interesting facet of the public responsibility of the Corporations which augurs well for the vista of progress opened up by the advance of modern knowledge and technique.

(e) Corporations and National Life

As a final consideration of the accountability of the Corporation, the degree of accounting must reflect the measure of responsibility entrusted to the Corporations against the expectation that they will provide the best practicable machinery for operating certain basic strands of human effort which have critical significance for the national life. The inference is best drawn by recalling that stewardship implies activity undertaken without prospect of personal gain. Such disinterested

service must continue to be the fundamental guiding spirit of the public Corporation and must be demonstrated as being not merely compatible with but itself inspiring a keenness and devotion to service which will produce unforeseeable and far-reaching benefits.

The degree of accountability must therefore in the nature of the case be adequate to satisfy the nation that efficient service is being given, but beyond that it must not become an inquisition which would defeat that inspiration to

public service which is so essential.

VI.—CONCLUSION

Reviewing the various facets which have come under consideration in the course of this lecture we see that the public accountability of the Corporation is a developing subject which will go through considerable transformation with experience over the forthcoming years. The present form of public Corporation is itself only just emerging, and is faced with many difficulties and differing situations both national and international which will not permit of the general adoption of any one pattern; time and experience will alone give the answers to most of the detailed problems.

There is, of course, the final consideration that the public accountability of the Corporation turns in the last resort upon the fact that the Board would be replaced if efficiency were not being maintained. Such a sanction could not in the nature of the case be used as other than an ultimate which everyone hopes

would never apply.

It thus follows that the only real method of making the public Corporations effective in measure with the national purpose underlying their creation, will be to give them a conviction of complete national confidence in, and reliance upon, their endeavours. This in turn must be based on the firm belief by the nation that the Corporation's activities and achievements will be carried through in a spirit of conscientious endeavour, inspired enterprise and economical efficiency.

Given such a measure of mutual understanding the basis of the Corporation's public accountability will rapidly define itself adequately and satisfactorily to both sides. Sanctions, or the threat of sanctions, can achieve nothing of lasting value: it is fundamental to the healthy development of this new sphere of Government activity that both sides believe in the venture. Criticism to be worth while must be constructive rather than destructive; it must inspire to heightened effort and improved technique instead of damping enthusiasm or throttling enterprise. In short, the only real avenue to success will be the creation and preservation of goodwill and understanding between the public Corporations and the nation whom they serve.

The Administration of Public Enterprises in the United States

By HERBERT EMMERICH

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Director, Public Administration Clearing Housing, Chicago

I PROPOSE to take a very broad view of my assignment for several reasons. First, I feel it is important to bring you a general report on governmental activities in the United States from an overall administrative viewpoint because

this is the first opportunity since the end of the war to identify the trends with any degree of certainty; second, I suspect that you have received very little from us between the extreme poles either of political headlines in the Press or highly specialised reports on certain isolated programmes; third, as will appear from the remarks which follow, the lines of demarcation in my country between the forms assumed by government trading and government tax-supported enterprises are not always too clear cut. Finally, I believe we have less sharp dividing lines than you between national and local services, and between public and private affairs. For all these reasons I believe it will be more informative not to confine these remarks to the corporate or trading enterprises alone.

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In following this procedure I will have to go into a certain amount of detail by way of illustration. I shall try, however, to avoid becoming impaled too long on either horn of the dilemma which this mode of treatment presents. In the United States we have so great a variety of governmental institutions that if one undertakes a factual description of them the result is a series of unrelated illustrations which can become not only dull but inconclusive as to tendencies and trends. If, on the other hand, one undertakes to point a moral and adorn a tale, one can prove almost anything merely by the choice of the appropriate example.

Moreover, I come to you at a time when our two countries, in respect to governmental intervention, are proposing to go in diametrically opposite directions. You on the one hand are in the midst of a programme of socialisation of major services and functions; we on the other are dedicated to a policy of free private enterprise and are in the process of abrogating or decentralising many of the controls and restricting some of the services that arose first during the depression and then during the war. Although our philosophies may differ in this respect we have many problems in common which we are tackling in a variety of ways. Just as I expect to find a considerable area of private activity still left in England, you will discover a substantial amount of governmental undertaking in the United States. The latter has been continuously on the increase for fifty years and is, in spite of an economy wave, tending to grow.

STATE GOVERNMENT

I am reminded again and again by our British visitors to the United States that the one thing that is significantly different between us is the fact that we are a united states, or, to put it differently, a federal government and not, as in your case, a national government. Although most of you are aware of our state governments and of their great political power and administrative importance, we still occasionally get observers from your shores who have to be reminded of their existence. I think there is a more profound difference from your institutions in this respect than in the matter of our system of separation of executive and legislative powers, which indeed may be said to be a corollary of our federalism.

In legal theory at least, our federal government is a government of limited and enumerated powers set forth in a written constitution and subject to the final determination as to powers by the Supreme Court of the United States. All other powers, in legal theory at least, are reserved to the states and although this can often be disproved in the exception, the rule nevertheless prevails. Right now we are seeing a rapid redelegation to the states from the federal government of temporary war powers and authorities. The states, not the federal government, moreover, are the actual legal source of power and authority of the

local authorities, although their delegations tend to be absolute with relatively little supervision. Forty-eight state constitutions and the statutes enacted thereunder determine the structure, the duties, the powers, and sometimes the manner of operation of local affairs. The federal government does not directly supervise the localities.

Our cities, towns, villages, counties, school boards, and ad hoc authorities number approximately 155,000. Among the states and within each state there is a great variety of governmental pattern just as they vary in climate, topography, resources, and culture. Local government in the United States therefore defies easy generalisation, even more significantly than state and federal government. The local governments put the case somewhat differently. They say they are at the mercy of the state governments and the frequent charges heard from them that they are constantly being assigned new functions under conditions of rising cost without being given the concomitant powers to finance and adequately to

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The states, moreover, have a very special influence in our federal government. Congressmen in the House of Representatives are elected from the states in the manner determined by the states and in districts according to the apportionment by the states, and they always live in the districts they represent. The Senate consists of two senators from each state and has in most respects equal powers with the House of Representatives and has superior powers in regard to confirmation of presidential appointments and ratification of treaties. such as Rhode Island and Delaware or sparsely settled ones such as Nevada thus have the same representation in the Senate as large ones like New York, Pennsylvania, and Texas. Furthermore, in our political conventions much of the machinery is by states; the candidates are generally nominated by states and many of our recent presidents have been former governors, and a few, including President Truman, former senators. Although not in detail, of course, but in broad lines, the general outline of our federal union is roughly analagous to the British Commonwealth of Nations and the states, at least insofar as domestic matters are concerned, have some of the aspects of your national government. In order to emphasise the importance of our state governments I shall first discuss the situation in the several states of the Union, then proceed briefly to describe the governmental situation in the localities, and finally, to describe some of the trends in the federal level of American government.

The secular trend in American government has been and is an absolute even if not a relative increase in the functions of the states. Between 1903 and 1940 the states increased their expenditures from \$200 million to \$3.6 billion, or 17 fold. (Throughout this paper I will use "billion" to mean one thousand million.) President Harrison was criticised in the 1890's for introducing a billion dollar federal budget. In 1947 Governor Green introduced the first billion dollar budget in the State of Illinois and New York has for a long time had a

much larger one.

What do the states do? The catalogue of their functions would be too long and detailed to recite here. It is enough to mention that they, and not the federal government, are basically responsible for the administration of public health and welfare activities, hospitals and institutional care, education, the employment services and the social insurances, the construction of highways, the improvement of agriculture, the conservation of natural resources, and the general police power and administration of justice. They regulate banking and commerce within their own boundaries, and those public utilities and services that are in private ownership, and they enforce laws for the regulation of conditions of labour and the protection of health.

State regulatory powers are considerable enough, indeed, to let the several states, by various types of regulation, erect substantial barriers to imports from other states, much as if they were independent nations. A state cannot levy an import duty against eggs, for example, but it can require that no egg laid in another state be labelled as a "fresh egg." Only a most aggressive campaign by the Council of State Governments against this "Balkanisation" of our economy kept these trade barriers from becoming a critical economic problem and later a threat to the war programme.

In many of the functions I have mentioned the federal government, too, plays a part, albeit often a supplementary one. Its leadership and support must not be underestimated. But even so I think it is rather easier for you who live under a single national government to understand our federal system if you start with the states. In the functions I have just mentioned the role of the federal government is to do research, to encourage and perhaps to support with financial grants, and in connection with grants to enforce standards, but it is the states which really operate the programmes. The federal government can influence but cannot direct what the states shall do.

Most of our great highways, for example, have been built with federal aid but they are built and maintained by the state highway departments. In education, most states delegate the job to local authorities of various types, but they support and supervise it, and are jealous of the small degree of federal research and leadership that does exist. The social services (except federal oldage insurance) and the employment service, were either instituted or greatly expanded by the states because of federal leadership and support, but the states are responsible for operations and administration. In fields like the regulation of commerce, banking, and transportation, the federal agencies, even though their jurisdiction is broad, depend to a considerable extent on the operation of parallel state agencies.

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During the past decade or two the states have changed a great deal. Lord Bryce's description no longer fits them. In his day, most of the important state administrative officials were elected to office by the people, and most of the state civil services were subject to change after an election. To-day, the states have very largely adopted permanent career services, and the quality of their officials has greatly improved. The governors have far greater powers, and are supported by their own budget officers and budget systems. The legislatures have improved their procedures and facilities; most of them now have reference libraries and legislative councils to help them develop more orderly programmes.

As a result of these improvements, and more particularly as a result of the work of the national organisation of state governments and their principal officials—the Council of State Governments—the state governments no longer depend mainly on the constitutional definition of their functions to protect their jurisdiction against the federal government's expansion. The Constitution has been elastic enough to be very little of a barrier. Nevertheless, the states have been actually expanding their functions and their share of programmes in which they co-operate with the federal government.

The employment service, for example, which was taken over temporarily by the federal government during the war, has now been returned by act of Congress to the state governments. The 48 systems of employment compensation and labour exchanges, while all supported in part by federal funds, are under only a very mild degree of co-ordination by the federal government. Publicly aided housing, before and during the war, was developed under a system in which local housing authorities received grants and supervision directly

from the federal government, but a number of the states are now appropriating their own funds for housing purposes and making grants to localities. The states are vigorously asserting that any new programmes of federal aid be from the federal to the state government, and then perhaps be distributed to the localities by the states, instead of going direct from Washington to the cities or counties. This principle, which was firmly established in the highway and social security programmes, is now being applied to the new programme of hospital construction, and seems likely to prevail in the construction of airports.

When I mention hospitals and airports I feel impelled to comment that you must not take our short-run political changes to mean that we are reversing our secular trend towards the expansion of social services and public regulation of enterprise. For example, the whole system of airport development is one of municipal enterprise with states or federal support. Another example is that the leading Republican governors have encouraged the establishment of state planning and development commissions to guide their states general economic

expansion.

The states have gone into a great variety of revenue-producing enterprises, but except in the case of liquor sales these revenues are a small proportion of their tax collections. These activities include dock and harbour facilities, toll bridges, canals, ferries and water and power distribution. The State of New York sells mineral water from Saratoga Springs. The State of North Dakota has the widest range of these activities, including mills, grain elevators, a bank and an insurance fund. The most conspicuous state-trading activity followed the repeal of national prohibition: seventeen states have set up their own monopoly systems for the wholesale or retail distribution of alcoholic beverages and two more have now authorised such systems. Most of these are managed by

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I have ventured the opinion that the states no longer depend mainly on constitutional definition to protect their jurisdiction, but rely instead on their organised political and administrative influence. If this is true of the protection of their jurisdiction, it is even more true of the protection of their financial status. Many states have state income taxes in addition to the federal income tax, and more generally they have adopted state excises on general sales, and on the sales of such commodities as gasoline, cigarettes, and liquor. My organisation in Chicago shares a headquarters building with two organisations that are working on the administrative problems caused by the reliance of the states and the federal government of the same sources of revenue—one is the Council of State Governments, which I have already mentioned, and the other is the Federation of Tax Administrators.

In addition to sharing the same sources of taxation, the states draw on federal grants-in-aid for a large share of their income, and in turn make extensive grants to local governments. During the war, the states adopted, in consultation with each other, a fiscal policy designed to help prevent inflation. They kept up their tax rates, deferred public construction, and accumulated reserves for future expenditure. As a result, they are in a very favourable financial position.

The weight of our local and sectional pride, the allegiance of members of Congress to local interests, and our historical tradition are all thrown in the balance in the direction of maintaining the states' vigorous and nearly autonomous elements in a political and administrative partnership with the federal government. They no longer need rely on the protection of the Constitution and the courts; popular sentiment and institutional allegiance is enough to prevent their being swallowed up by the federal government. The secular trend of increasing the volume and variety of their activities continues.

LOCAL GOVERNMENT

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As for local governments in the United States—the units that you would call local authorities—about the only generalisation that will hold for them is that they will vary greatly. In all in round numbers there are 155,000 of them. Of these 109,000 are school districts, which often are quite independent of other agencies of local administration. Aside from this we have 3,050 counties, some 16,000 incorporated places, 19,000 rural unincorporated sub-divisions which we paradoxically call towns or townships. Finally there are 8,000 special purpose districts, half of which provide water and soil conservation services and rural roads. The total expenditures of local governments have grown from 900 million in 1903 to five and one-half billions in 1940.

There is great variation region by region and state by state, both in the quality of local governments and in their functions. The Midwest has the greatest number. Illinois has nearly 16,000 and in the belt of states immediately west there is one unit of government for every 234 persons. At the other extreme are the New England states and Virginia. Massachusetts, for example, has only 470 local governments and Virginia, 318.

Historically the counties have been relatively weak in New England where the so-called towns have been responsible for the principal functions of rural government. Elsewhere, however, the counties, especially in states in which there are not many municipalities, are usually responsible for the administration of such functions as roads, health, and welfare.

One of our special problems is that of the metropolitan areas. Eleven of them have over a million population each and eleven more, over a half million. In all there are 140 metropolitan districts each having a population of 50,000 or more. In each of these there are numerous units of government and the problem of unifying them is a very great one.

In general, there is some trend toward having the larger units of government take over services and for the uneconomically small units to be discontinued. In the decade after 1930 about 10,000 small units were abolished. At the same time there has been a considerable amount of what we call functional consolidation, or contractual arrangements between units of government for the joint performance of certain functions.

Similarly there has been a remarkable administrative improvement in municipal organisation. In our cities—we use this term as you know for any incorporated community—a century ago much administration was delegated to special boards and commissions and the city councils were usually quite large organisations, often bicameral, elected by wards. But since the nineteenth century boards and commissions have been consolidated and the municipal chief executives, either popularly elected mayors or city managers appointed by their councils, have been given much more power. School boards are the outstanding exception and still tend to be autonomous. The growth of the city manager plan is notable. There are now 708 cities which have adopted it. The National Municipal League and the Civil Service League have influenced the improvement of city charters and the rapid development of municipal career services. International City Managers' Association, The Municipal Finance Officers' Association and the Civil Service Assembly have greatly improved the standards of municipal administration.

On the other hand, a number of new special purpose districts and authorities, especially in metropolitan areas, have been created. Many of them are for the provision of public utilities like electricity, gas, water and sewerage.

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The most conspicuous special type of authority created in recent years is the local housing authority. This is usually headed by an unpaid board of private citizens, appointed by the mayor of the city, which in turn selects its executive director. The housing authority as in the case of most special purpose districts has no taxing power. It derives its capital funds either from the sale of revenue bonds or by loans and grants from the federal or state governments or from the sale of bonds to be repaid by annual federal subsidies. Housing and urban redevelopment are functions which will probably expand.

It is difficult to distinguish between a municipal trading enterprise and an ordinary municipal function. Most cities operate their water systems and over 400 operate electric generation or distribution systems. A small number own gas systems. Before the war more than 400 cities operated airports and the number is certainly increasing. Similarly there is a growing number of cities which are attempting to solve their traffic problems by maintaining municipal parking lots. There is a discernible tendency for cities to acquire transit systems;

my own city of Chicago is in the process of doing so now.

Among the larger cities there is a considerable variety of important municipal enterprises. Several receive substantial revenues from public markets and warehouses and a considerable number operate auditoriums and stadiums. A few have municipal radio broadcasting stations, thus combining a public enterprise with interesting experiments in municipal public relations. Some of the coastal

cities own and operate port facilities as public service enterprises.

Most cities and counties have established forests on their outskirts. In the vicinity of Chicago the Cook County Forest Preserve has acquired vast tracts of land for the provision of a greenbelt and the preservation of wooded recreation areas. It would be interesting to mention one or two other unusual experiments in municipal enterprise, such as the central heating system by which a small city in Minnesota named Virginia provides steam heat for all the residences and other buildings in the city. But it would not do at this moment to start an

endless catalogue. In the inflation which has taken place in the United States, especially since before the war (the Consumers Price Index of the Bureau of Labor Statistics rose from 98.6 to 152.8 during the period from 1939 to 1947!), the cities have been harder pressed than other units of government in finding revenue to meet increased costs. Many services suspended during the war have been resumed and the increased population since 1940 must be cared for. Many cities are adopting new charges for services, for example, by installing parking meters at the curbs in downtown business districts. New charges are being made for water and sewerage service and charges to users outside the corporate limits are being increased. Philadelphia, Toledo and St. Louis are all experimenting with a payroll tax-a form of income taxation, which has the advantage of bringing in revenue from the commuters who live outside the city limits. Various forms of sales and excise taxes and increased grants and shared taxes from the states will also help to meet the needs for revenue. The cities thus are more interested at this time in simplifying their administrative structures and finding new sources of revenue to resume their pre-war level of services than they are in entering new fields or of assuming new functions.

FEDERAL GOVERNMENT

In the federal field what I have called the secular trend of increased governmental activity in the last 50 years, in spite of our active abrogation of war controls and a Congress determined on economy in the budget, is still tending

to expand. Whereas 50 years ago the federal budget did not exceed a billion dollars and had risen after World War I to about four billion dollars a year, it rose after 1933 during the New Deal to nine billion dollars. In 1945 it rose to its peak on account of war expenditures to over 100 billion dollars.

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In January of this year President Truman's budget sent to Congress contained estimates aggregating thirty-seven and one half billion dollars. A very great proportion of this amount is for debt service on our federal debt of over 250 billion, the largest in our history, and it is interesting to note that the amount of seven billion is contained therein for aid to veterans, which is equivalent to the entire federal budget in the much criticised days of New Deal spending.

The armed services at a strength of about one and a half million men and with far-flung obligations in various parts of the world have the largest peace-time size and budgets in their history. Foreign loans and relief bulk larger in our budgetary picture than ever before and all these items taken together are in addition to the normal operating cost of maintaining the more customary services. I see very little prospect for a budget in the next four or five years which will be anywhere near the scale of our pre-war budgets and it would be very conservative to say that in no event could we contemplate an annual expenditure in that period under thirty billions.

The size of the debt and the problem of its management plus the size of the budget brings the government into a predominating situation as far as national fiscal and economic policy is concerned. When the government of the United States had practically no outstanding debt and an annual budget of one to five billion dollars, the influence of its taxing, borrowing, and monetary operations was a very small one quantitatively with reference to the influence of many huge private enterprises and many of the larger states and cities. To-day the volume of its transactions and of its obligations is of course incomparably the largest factor in our financial picture. Individuals, banks, and corporations are large holders of its obligations and large payers of its taxes. The slightest change in regard to federal rates of taxation, interest, and debt payment have powerful effects on our entire financial structure, public and private, and on our purchasing power and employment. In spite of our determination to keep the government out of business to the greatest extent, we are increasingly realising that we are faced with a situation and not a theory and that the government's influence in the field of fiscal policy is pervasive. This influence is, I hardly need to point out, not limited to our own shores. The cost of living in the United States, This influence is, I hardly need to point the value of the dollar and the availability of funds for loans and grants abroad will for some years have an important effect on economic and political problems in all parts of the world.

There has been increasing recognition on the part of the American people that their governmental policies can and do affect economic conditions. From time to time various organisations have been created to express this conviction institutionally. The legislation which a year ago created the Council of Economic Advisers in the Executive Office of the President was the culmination of this sentiment. The Council of Economic Advisers is a three-man board, paid and full time, situated in the Executive Office in Washington, whose duty it is to prepare economic reports for the President, to be submitted by him to Congress, governing the fiscal and monetary policies of the United States and their relation to maximum employment. The law which created this board also established a Joint Committee of Congress to receive this economic report and to consider the action to be taken thereunder. Several reports have already been issued and the Council has pointed out the dangers of further increase in the price level in the

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United States with its harmful effect on purchasing power and thus on production and domestic employment. In the matter of fiscal and governmental policy with reference to the business cycle, the Council is essentially a national economic planning board with analytical and advisory powers and a small staff to prepare the data it requires.

The Executive Office of the President also contains, in addition to the immediate staff in the White House, the Bureau of the Budget as an aid to the President in preparing and administering the budget and approving the administrative and statistical services of the government. Since the creation of the Executive Office in 1939 when the Bureau was transferred to it from the Treasury Department, it has done legion service before, during, and after the war as a staff aid to the President in the enormous volume of administrative work that that period involved.

The establishment of inter-departmental committees with expert secretariats is a comparatively new development in the American federal government picture. These were very numerous during the war and proved to be extremely useful in its conduct. A number of such committees have become a relatively permanent part of the Washington scene, particularly in problems involving co-operation between the Stafe Department and other departments of the government, such as the State-War-Navy Coordinating Committee (SWINK), the Interdepartmental Committee on Scientific and Cutural Cooperation, and others in the fields of foreign economic policy and foreign loans. The success of the interdepartmental committee known as the Joint Chiefs of Staff during the war has given rise to legislation for closer integration of our armed forces in a department of national defence.

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One of the new trends in the federal establishment is the greatly increased amount of money and attention being given to the field of scientific research. It is estimated that the combined resources appropriated next year in this field will be in the neighbourhood of one billion dollars. Approximately half of this has been voted to the Army and the Navy who have established a joint civilian board under the chairmanship of a distinguished scientist to advise them in connection with the expenditure.

The other half-billion dollars is at the disposal of the new U.S. Atomic Energy Commission. This is a full-time five-man board which has taken over from the Army the operations which were known during the war as the Manhattan District of the Engineers Corps and which produced the atomic piles and the weapon. The Board has a full-time general manager and is gradually assembling a staff of considerable distinction to carry on the work, completely in civilian hands. The chairman of the Board is Mr. David E. Lilienthal, formerly chairman of the Tennessee Valley Authority, whose appointment engendered a rather conspicuous controversy in the U.S. Senate, but who, after some delay, was confirmed by that body by a comfortable majority. The Board, which is in touch with the chairman's operations at all times, works in connection with military liaison committees from the armed forces as well as with an advisory part-time committee of distinguished scientists. The civil uses of atomic energy may make the Commission our largest government undertaking before too many years have elapsed.

The scientific operations of the United States are not new but have taken on new forms. For many years scientific work has gone forward in such agencies as the Bureau of Standards and the Department of Agriculture, partly by direct experimental laboratories and partly through grants to the state experiment

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stations. During the war there was a great increase in the practice of making contracts between the U.S. government and private research organisations in industry and in the universities. A great many of the operations on radar, electronics, and atomic fission were done by contract with industrial laboratories and university laboratories. This is a new pattern in many respects and for the being is being continued, although a certain amount of direct experimentation is being conducted in government-owned and controlled laboratories as well. Here a definite pattern or trend in American enterprise is discernible where government contracts with private institutions for a joint undertaking.

The disposal of war property remains a large post-war burden of the government. The vast quantities of material amassed for the conduct of the war have to be sold with a minimum of disturbance to American industry. In addition to material, there remain to be sold great aggregations of lands and buildings, such as army bases, shipyards, industrial plants, and other facilities. The disposal of this great amount of fixed assets is perhaps the most difficult problem of war property liquidation and is proceeding more slowly than the sale of the material. For the time being, therefore, the government is a trader on an unprecedented scale in surplus property.

THE GOVERNMENT CORPORATIONS CONTROL ACT, 1945

A trend of major interest in regard to the federal establishment has been the restriction on the methods of operation of government bodies. The two notable examples of this are the passage of the Administrative Procedures Act of 1946 and the Government Corporations Control Act of 1945. The Administrative Procedures Act was passed last year as a result of many years of hearings and investigations with regard to the procedures followed by the agencies having the powers of administrative law. The legal fraternity represented by the American Bar Association took a very active part in urging the passage of this Bill. The Bill is an expression of the view presented in such works as The New Despotism. Its passage was, I believe, not only a protest against controls in general but a reaction to too many government agencies controlling too many different things in too many different ways. It aims to standardise the procedure both before and after regulations are adopted, to provide for independent hearings on both the regulations and on their application to a particular case, to provide for independent hearing examiners and to give a much wider right to appeal to the federal courts for redress.

It is too early to say what the effect of this statute will be on the operation of the regulatory activities engaged in applying what is known as administrative law. Some well-informed people believe that this is the beginning of an administrative anarchy where there will be no certainty as to the meaning of government rules and regulations, which will be subject to endless litigation and appeal. Other experts believe that a government of laws and not of men has been restored, that private rights will be more greatly respected, and that government bureaus will hesitate to impose foolish and injurious ordinances. I make only one prediction with regard to it and that is that the volume of law practice will not be diminished by the passage of this Act.

The Corporation Control Act is another enactment which might also be said to be a reaction on the part of Congress to a prevalent feeling that the government was establishing corporations indiscriminately with greatly varying charters and with insufficient information to Congress and certainly very little control on its part of the operation of these strange new bodies. In a congressional

report issued this year entitled "Assets of Wholly-Owned Federal Government Corporations," there were listed twenty wholly-owned government corporations and their subsidiaries, four types of mixed ownership corporations in which government and private interests participated, and fifteen government corporations liquidated or in process of liquidation. The assets of the twenty active wholly-owned government corporations alone were reported to be in excess of fifteen billion dollars (book value). The largest and best known of these were the Commodity Credit Corporation, which engages in the purchase and sale of farm products in the interest of stabilising farm prices; the Export-Import Bank of Washington, which makes loans abroad; the Reconstruction Finance Corporation, which has very wide and varied lending powers and which is the largest of them all; and the Tennessee Valley Authority, which operates the navigation and flood control on the Tennessee River and its tributaries, including large water power projects.

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The Corporation Control Act has very nearly put to an end the autonomy and flexibility which were the principal reasons for the original adoption of the corporate device. The controls now prescribed thereunder provide for a review of the corporations by the Budget Bureau in the form of a so-called "business type of budget," consideration of the budget programme by Congress and the This obligates enactment, if necessary, of legislation to make funds available. corporations to be subjected to hearings and possible action before congressional committees as in the case of operating bureaus and departments. Annual audits "in accordance with the principles and procedures applicable to commercial corporate transactions" are required to be made by the General Accounting Office which audits the departments. The Treasury Department is given authority to approve the time, terms, and conditions under which corporate obligations are issued. It also may regulate the corporations' purchases and sales of U.S. government obligations. The statute makes it possible for the Director of the Budget with the approval of the President to recommend that Congress strip corporations of their corporate status and to place them under all controls governing conventional bureaus. Corporations hereafter can be set up only by administrative act of Congress and those now in existence under state laws must be liquidated before 1st June, 1948. A few of these requirements are even applied to the mixed type of corporation as long as the United States government has an investment in them, but on the whole they retain a much greater measure of autonomy.

The wholly-owned government corporation in the United States has thus suffered a setback which I can attribute not only to the current desire to curb the government, but to over-enthusiasm in the adoption of that device in the last twenty years, a preoccupation with objectives rather than with means which in many cases gave them freedom and scope and lack of accountability not justified by government instrumentalities, and finally a lack of administrative and legislative philosophy concerning their adoption and their organisation.

FORMS OF PUBLIC CORPORATION

Our national government corporations usually are governed by a full-time paid board with overlapping terms and, except in cases of regional business such as the Tennessee Valley Authority, they are headquartered in Washington. Many of them are outside the jurisdiction of cabinet departments and report in theory at least directly to the President. Although there is growing favour for the idea of a managing director to supervise the staffs, the fact that they are full-time

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resident boards tempts the board members themselves to become concerned with administrative duties. The chairman of the board is usually in a dominating position and is generally looked to as a spokesman of the board. There are important exceptions to this rule, however, and in the Federal Public Housing Authority of which I was commissioner, I presided over an anomalous corporation which had no board. It was ostensibly under my jurisdiction. Its employees, however, were recruited from the civil service, its accounts were audited by the General Accounting Office, its administrative expenditures were subject to scrutiny by the Bureau of the Budget; and its appropriation voted by the Congress. I furthermore was under the general supervision of the National Housing Administrator who, during the war, sat in the cabinet. Except for certain powers to make contracts for loans and grants to local authorities for housing purposes within the total authorisation approved by Congress, its powers and duties more nearly corresponded to a government bureau than to a corporate authority.

It is interesting to note that in the creation of the U.S. Atomic Energy Commission last year it was given independence of status outside of the departments with a full-time paid resident board of five members including a chairman and in addition a general manager. It has the right to make exceptions to civil service salaries and civil service lists in the selection of its personnel. It was given unusual contracting authority, but it was not designated as a government corporation. Certain of the federal agencies, such as the Federal Housing Administration which exists entirely on revenues collected in connection with its function of insuring home loans and requires no treasury appropriations for its support, operate under a single administrator without the corporate form.

Many of the American government corporations such as the Tennessee Valley Authority and Commodity Credit Corporation are not self-supporting and require appropriated funds to supplement their income. The Tennessee Valley Authority, however, has its own civil service system and is exempt from jurisdiction of the general civil service laws but is nevertheless confined to a governmental type range of salaries. Its functions include flood control, navigation, national defence, encouragement to agriculture. Virtually none of these are revenue producing and its only real source of revenue at this time is the sale of its power to municipalities, industries, and rural co-operatives which from one point of view is a by-product of its flood and river control function. Each one of our government corporations is thus highly special phenomenon and, with the new controls established, less and less distinguishable from conventional government departments. Furthermore many of our large government enterprises operate satisfactorily without the corporate form.

Time does not permit a description of the mixed ownership type of federal corporation. Many of these exist in the Farm Credit Administration with which I was connected some ten years ago. It should be noted, however, that these have fared better in respect to maintaining their independence and autonomy in the face of the increasing imposition of controls on fully-owned government corporations. The balance sheet incentive is more certain in these cases. They have been used particularly in the field of lending and the field of the insurance of bank deposits. A trend may be indicated here for the future that the form of enterprise most likely to secure the necessary freedom of operation under the prevailing American philosophy will be the mixed type where governmental and private interests share in the ownership and control.

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One more type of government enterprise should be mentioned before I conclude. Its most significant example is the Port of New York Authority which was established by compact between the states of New York and New Jersey approved by the Congress of the United States. This agency exists entirely on its own revenues and has no taxing powers. It has a part-time board appointed by the governors of the two states whose members serve without compensation and an expert staff enjoying salaries considerably above those paid in the federal, state, or municipal agencies of that area. The Port of New York Authority has had a very successful record of earnings, its bonds have enjoyed a wide market at low interest rates, its revenues by 1945 had exceeded twenty million dollars per annum; and it had a funded debt outstanding of almost 200 million.

The Authority operates bridges and tunnels between New York and New Jersey and in the metropolitan area of greater New York. It operates freight terminals, and has recently taken over the operation of airports in the New York metropolitan region. Its charter gives it wide powers in all matters in connection with the improvement of the port of New York, and it has done much to facilitate the movement of produce and merchanise in that area. It is developing plans for passenger bus terminals at this time. The creation of agencies by inter-state compact where self-supporting projects are concerned is now being urged in other parts of the country, particularly in connection with river development, such as the proposed Missouri River Valley Authority.

There are strong movements in the United States for increased government support to public education, research, extension of social insurances to include larger groups, and new fields such as health insurance, development of a national airport network, and resumption of government aid to low rent housing, slum clearance, and urban redevelopment. The establishment of a national department of education, health, and welfare is being urged in conservative quarters. There is reason to believe that some of the current reductions of the budget for aids to agriculture and to large public works projects will be restored in the not too distant future or will be resumed if employment should fall off in private business. In spite of the drastic economy wave in Congress and the considerable amount of agitation for lower taxes, no important permanent functions of the government have been abolished and, as has been shown, states and cities are increasing activities even without federal aid.

In conclusion, I see no prospect, therefore, of any drastic change in the long-time secular trend in the United States for a gradual increase in the volume and variety of government activities whether tax supported or revenue producing. Public administration has improved in quality, but that there will continue to be close scrutiny of the accountability and operating methods of both old and new functions, there can be no doubt. Even when federal grantsin-aid are involved, actual operations will generally be decentralised to state and local authorities. Co-operation of public and private activity by the use of the contractual method and by mixed or joint ownership and control will increase. We have demonstrated our willingness to let government assume urgent and large new tasks but our feeling for the time being is that government must not be allowed to grow more quickly than it can organise properly to administer new functions. Finally there is a widespread conviction in the United States that government's job is to encourage and to supplement private endeavour and that it should act as a partner and, on its regulatory side, as an impartial umpire. In regard to the services it renders, our attitude might be described as ad hoc rather than doctrinaire, but we tend quite definitely to have government

PUBLIC ENTERPRISES IN THE UNITED STATES

go into services only when it is definitely established that they cannot be obtained through private initiative. And even then except in extreme cases we prefer that the government services should be supplementary rather than competitive. If we can marshal the wisdom that we need in these parlous times to the same extent that we have been blessed with technical skills and abundant national resources, and can find the means to avoid disastrous wars and depressions, I believe this will continue to be the road we will follow.

STUDY AT HOME FOR THE LONDON UNIVERSITY

DIPLOMA IN PUBLIC ADMINISTRATION

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The examination for this Diploma can now be taken by candidates who (1) have passed or obtained exemption from London Matriculation; or (2) have obtained a School Certificate or some recognised equivalent qualification and have for two years held an approved appointment in a Public Office. Attendance at University classes is not necessary; candidates can prepare for the exam. at home. The Diploma is increasing in importance as a qualification for those engaged in local government service. Founded in 1894, Wolsey Hall prepares candidates for D.P.A. Examinations by means of up-to-date postal courses drawn up and individually conducted by highly-qualified graduate tutors. A Guarantee is given that, in the event of failure, tuition will be continued free of charge. At the 1946 (External and Extension) Examinations 53 WOLSEY HALL Students sat; 44 passed, forming HALF THE PASS LISTS (whole Exam.)

Prospectus free from C. D. Parker, M.A., LL.D., Dept. HJ27,

WOLSEY HALL, OXFORD

Report of the Adjudicators on the Haldane Essay Competition, 1946

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THERE has been a very substantial and welcome increase in the number (154) of essays submitted this year. Some of these did not satisfy the conditions of the competition, but the standard generally has shown a material and gratifying improvement. Selection of the best entries was rendered difficult by the technical character and variety of subjects selected, but it has been possible to select a short list of ten entries which were obviously of a consistently higher standard than the remainder, from which to make the final determination. There was a slight increase in the number of overseas entrants.

General criticism of the essays may be of assistance to entrants in future years. Broadly, we would commend the following criticisms to the notice of competitors.

- (a) Too many of the entries were of a purely descriptive nature. While it is most desirable that competitors should write on a subject of which they have close practical knowledge and experience, it is useless, for the purpose of this competition, merely to describe existing practice. Many essays contained a great deal of useful and interesting information, but gave the impression that the material was undigested.
- (b) Too much emphasis was placed in many cases on the inclusion of historical data for its own sake and not for the sake of the illustration of the development of administrative principle.
- (c) In many cases the subjects had been chosen without due regard to the terms of the competition, which stress that emphasis should be placed on administrative aspects of subjects and that special credit would be given for constructive suggestions as to the manner in which current problems may be solved or improvements made in existing practice. What is required is the exercise of a sustained critical faculty in order that the principles of current practice, with their advantages and faults, and the lessons which they point to public administrators, may be clearly brought out. The ideal essay would thus incorporate a description of an administrative problem (e.g., the control of building work); of the methods adopted for handling it, with the reasons for the adoption of those particular methods, and a review of those methods in the light of practical experience and otherwise.
- (d) Sufficient care was not given in a great many cases to style, and style and manner of treatment are important. Over-tabulated scripts and scripts which use the personal pronoun should be avoided. In many cases there was a tendency to resort over-much to general statements and grandiloquent phraseology which amounted to little more than mere platitudes.

The ten essays to which we refer in the first paragraph are, in alphabetical order of nom-de-plume:—

Aconite—"The Emergency Training Scheme for Teachers—an Adventure in Administration."

HALDANE ESSAY COMPETITION, 1946

Aedile-" District Police Training Centres; an Administrative Experiment."

Aries-" Public Administration and Public Liberty."

Hot Air-"The Function of the Home Office in Relation to the Future Fire Service."

Houser-" The Australian Housing Programme."

Malcollum-" Acquisition of Land by the Service Departments."

Matlock—"The Application of Limited Tests and some other aspects of the Audit of Public Accounts."

Praetor-" English Administrative Tribunals and their Reform."

Quilibet-" An Information Service for Education."

Seax-"Local Government Accounts and Financial Statistics."

We recommend that the Medal be awarded to the essay by Matlock on "The Application of Limited Tests and some other aspects of the Audit of Public Accounts." This essay is from one of our Dominion members, and we feel sure his success will provide encouragement to overseas entrants in the future.

For "second place" we select the essays on "English Administrative Tribunals and their Reform" (by *Praetor*), and "The Australian Housing Programme" (by *Houser*).

16th May, 1947.

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(Signed) J. LYTHGOE, F. P. ROBINSON.

Following are the names and addresses of the first three:-

Matlock

Herbert R. Balls, 361, Wilbrod Street, Ottawa, Canada.

Praetor

J. F. Garner, LL.M.(Lond.), Assistant Town Clerk, Barnstaple Corporation, The Castle, Barnstaple, North Devon.

Houser

Ronald Mendelsohn, Flat 4, 40, Scott Street, Elwood, Melbourne, Victoria, Australia.

The Legislative Audit

The application of limited tests and some other aspects of the audit of Public Accounts

By HERBERT BALLS

T

T is a proposition almost axiomatic in its general acceptance in the British Commonwealth that the public accounts should be audited by an official responsible directly to Parliament. Derived as a natural corollary from the principle that sovereignty in financial matters is vested in the legislature, it has been of relatively recent origin. Early in the fourteenth century, the English

¹ Haldane Essay Competition—Prize Essay. .

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House of Commons had asserted its right to exercise supreme control over taxation, but it was only with the enactment of the Bill of Rights in 1689 that full expression was given to the proposition "that levying money for or to the use of the Crown by pretence of prerogative without grant of Parliament for longer time or in other manner than the same is or shall be granted is illegal." experience proved that the proceeds of legal taxes could be spent illegally, the right of appropriation, or of determining how the public moneys should be spent, followed as a necessary supplement of the taxing power. However, authority to impose taxation and to sanction expenditure did not constitute complete control. Control implied ascertaining that legislative directions are faithfully followed, no less than giving directions. In short, for full and effective control, taxing and appropriating powers supplemented by an inquisitorial or auditing authority were necessary, "to follow money raised by taxation until the last farthing is were necessary, "to follow money raised by taxation until the last farthing is accounted for." Neither the legislature, nor any legislative committee, was endowed with the time or the expert knowledge to conduct such an inquiry. Assistance was necessary, and for this purpose an officer subservient only to the wishes of Parliament was needed to examine the public accounts and to report thereon to the dominant legislative body.

In Canada the development of the theory of legislative financial sovereignty has followed closely the British pattern, and the application of the legislative audit has been greatly influenced by British theory and practice. In 1857 the Public Moneys Committee of the British House of Commons made far-reaching recommendations with respect to the receipt, issue and audit of public moneys. The Exchequer and Audit Departments Act of 1866 marked the acceptance of the Committee's recommendations and laid the basis for a system of financial control and management, and for an audit on behalf of Parliament, which in the course of succeeding years were adopted by many of the overseas Dominions. In Canada the Audit Act of 1878 introduced the new methods, and for more than half a century the Canadian system bore a flattering resemblance to Britishprocedure. Legislative financial authority was ensured by the appointment of an Auditor-General, as an officer of Parliament, to regulate the issues of money from the public treasury and to examine and report to the House of Commons on the financial transactions. Although appointed by the Governor-General under the Great Seal of Canada, once installed in office the Auditor-General was dependent only upon Parliament for his salary and for his retention in office. Appointed to hold office during good behaviour, he could be dismissed by the Governor-General on the joint address of both Houses of Parliament. Receiving a salary which was a permanent charge on the Consolidated Revenue Fund, he was not dependent on the executive for the annual requisitioning of supply for its continuance. In short, to ensure his status as an officer of the legislature, Parliament had endowed him with complete personal freedom from executive domination and influence. With wide powers of inquiry and investigation, he possessed the means to learn if legislative directions were being obeyed, and control of the issue gave him the means to deal with the misapplication of appropriations by refusing to sanction further issue.

For fifty-three years, legislative regulation of the issue served as a more or less effective restraint on executive disobedience to parliamentary directions. Minor amendments were introduced from time to time, but no major changes were made, and in every important particular the system in operation until 1932 was a close reflection of that inaugurated in 1878. However, with the expansion of the Canadian economy, and the growing demand for governmental services which characterised the early years of the twentieth century, weaknesses had

developed in a system which was designed originally to serve the needs of a compact, closely knit organisation. As departmental services expanded, administrative, disbursing and accounting organisations became more and more decentralised and independent with ensuing delays in accounting and reporting. Although the Act of 1878 directed the Auditor-General to see that no cheque was issued for the payment of any public money for which there was no parliamentary appropriation, it was impossible to apply this instruction to cheques issued under departmental letters of credit which only came to his notice when the applications to repay the banks for the previous month's issue were presented to him. Consequently, appropriations were frequently overdrawn, and the Auditor-General was unable to prevent the overdrafts. It was to remedy these defects and to provide for central executive control of the disbursing processes, that the Consolidated Revenue and Audit Act was passed in 1931.

Under the new legislation fundamental alterations were made in the system. The Auditor-General, as a legislative officer, retained and in some respects increased his authority over the audit. The control of the issue, once regarded as the buttress of his authority, was taken from him, leaving him free to devote his time to his audit duties, and a new executive officer, the Comptroller of the Treasury, was charged with the duty of sanctioning issue and disbursing the moneys from the Consolidated Revenue Fund.

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It is not the purpose of this study to assess the relative advantages and disadvantages of the old and new methods, or to consider whether or not the financial sovereignty of the House of Commons has been fortified or diminished by withdrawing powers of issue control from the Auditor-General. Rather, the purpose is to discuss, from a Canadian perspective, some of the considerations involved in the application of the legislative audit. It is with this in mind that a brief survey of the development of Canadian theory and practice has been given, to suggest to a British reader certain dissimilarities from British thought and procedure, and to indicate that under Canadian practice the inconsistency of uniting in the same person the dual office of comptroller of receipt and issue and auditor of public accounts no longer exists. In Canada, since 1932, with certain minor exceptions, the officer controlling the issues is in no sense the auditor of his own acts, and the Auditor-General in consequence has achieved a measure of independence previously unknown to him.

П

An audit may be defined as an examination on behalf of a principal of the transactions of an agent as recorded in an account. A commercial auditor scrutinises the books of account, the vouchers and other business records to ascertain the correctness or otherwise of the entries therein, and of any statement drawn therefrom, and reports his findings to his principal. His object is to detect fraud, technical errors and errors of principle and judgment. A legislative auditor examines the public accounts after transactions are completed and reports to the legislature any unauthorised, illegal or irregular transaction, any unsound financial practice, or any evidence of corruption, waste or inefficiency, which may come to his attention. Such an examination comprehends not only an audit of accountancy, which is the prime purpose of a commercial audit, but also an audit of authority, and in the case of expenditures, an appropriation audit. The purpose of the appropriation audit is to ascertain on behalf of the House of Commons that the money voted has been spent exclusively upon the services and within the time for which it was granted and that the grant has not been exceeded. The audit of

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authority is for the purpose of establishing that those responsible for the administration of the public funds have duly authorised each transaction in accordance with the relevant statutes, orders in council, executive orders, departmental regulations, accepted practices and recognised precedents. In conducting his examination of the accounts, the parliamentary auditor must therefore take cognizance of the statutory instructions governing the financial transactions and regulating the audit, the executive and departmental directions and rules prescribed for the receipt and disbursement of public moneys, and the conventions underlying the audit of business transactions which have been formulated by commercial auditors.

In Canada the statutory directions regulating the audit are for the most part embodied in the Consolidated Revenue and Audit Act, 1931, the principal ones being that the Auditor-General—

- shall examine, periodically, the accounts of all branches of the public service, and shall take such further steps as he may deem necessary to satisfy himself that such accounts are faithfully and properly kept and that the moneys expended have been applied to the purposes for which the grant was intended to provide;
- (2) shall satisfy himself that the revenues are being fully accounted for, and shall examine at his discretion the accounts of all persons employed in the collecting and managing of the revenues;
- (3) shall, besides examining from time to time the various accounts of the several departments, examine and audit the accounts of Canada for each fiscal year;
- (4) shall report annually to the House of Commons the result of his examination and audit in such manner as will exhibit the true state of each account at the termination of the fiscal year last ended.

In reporting the results of his examinations, the Auditor-General is directed to call attention to every case in which (a) a grant has been exceeded; (b) moneys received from sources other than the grant for the year to which the account relates have not been applied or accounted for according to the direction of Parliament; (c) a sum charged against a grant is not supported by proof of payment; (d) a payment so charged did not occur within the period of the account, or was for any other reason not properly chargeable against the grant, or was in any way irregular; (e) a special warrant authorised the payment of any money; (f) an objection of the Auditor-General was overruled by the Governor in Council or the Treasury Board; (g) a refund or remission of any tax, duty or toll has been made on the authority of any Act of Parliament; or to any other case which he considers should be brought to the notice of Parliament.

These directions have been supplemented by a number of conventions which have no legal or statutory validity but which are intended to ensure that the House of Commons is fully informed of the manner in which the executive has adhered to the terms of the financial legislation, and that the Auditor-General may conduct his inquiries without fear of executive influence or interference. Two conventions, derived from British precedents, may be cited. The Consolidated Revenue and Audit Act gives the Auditor-General the right to report on transactions generally; custom and usage have decreed that he should not criticise administration as such; but custom and usage have also established that when the consequences of administrative action are losses and wastage, it is at once his right and his duty to report. Equally important is the convention which affirms that active intervention by the Auditor-General in administrative matters

THE LEGISLATIVE AUDIT

only prejudices the inderendence of his work as a servant of the legislature. As any auditorial interference, before transactions are complete, lessens the responsibility of the accountant, and detracts from the independence of the auditor when his opinion is related to acts which he has advised or sanctioned, it follows that there should be a sharply drawn distinction between administration and audit, and the principle is well established that the Auditor-General should neither participate in administration nor exercise executive authority.

Thus when statutory precepts are lacking, or are in any way incomplete, constitutional and financial conventions have been relied on to fill the gap. In regard to procedure, a similar condition prevails. Parliament has not attempted to draft a detailed audit programme. It has given the Auditor-General a generous discretion as to the manner in which he may make his examinations; it has designated the accounts which he should audit and has prescribed the nature of his certificate; it has underlined its interest in certain matters, and has set a deadline for the presentation of his report; but no detailed procedural directions have been laid down for his guidance. Consequently, there is a broad field in which to develop those audit practices which will best serve the needs of Parliament, and the interests of the taxpayers.

Ш

It is a truism of public administration that the best security for the faithful application of the public money is to be found in a correct system of public accounts, in an early audit of the financial transactions after they have occurred, and in a review by the House of Commons or by a committee of the House of the results of that audit. Only prompt and comprehensive reporting will ensure timely remedial action, and the parliamentary auditor should so plan and execute his inquiries as to avoid any delay or deficiency in reporting which would nullify the value of the audit as the eyes of the legislature. As the volume and complexity of transactions increase, this objective becomes at once more essential and more difficult to attain. Lacking specific statutory instructions, the auditor must exercise his discretion in determining the nature of the techniques to be employed and the subjects of his reports. These decisions should not be lightly taken, for on them depend the value and utility of the legislative audit. Although different considerations are involved in the audit of expenditures, of revenues and of assets and liabilities, there is one problem which is common to all.

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In the audit of transactions generally, the extent and intensity of the examinations to be made are of fundamental importance. In commercial practice there is a general acceptance of the principle of the test audit. In the Canadian legislative audit, there is no statutory recognition of the test audit, but on the principle that it is the responsibility of the auditor to determine the scope of the examination which he should make before giving his opinion on the statements under review, a test is regarded as discretionary.

What constitutes a sufficient test depends on several factors. Consistency or uniformity of accounting treatment over an extended period of time will generally permit the application of limited tests with some assurance that the transactions chosen for testing will be representative of the whole account. Without continuity or consistency of treatment, however, there is no certainty that the sample transactions selected for scrutiny will be representative, and the auditor should broaden the basis of his tests until a sufficient examination has been made to judge the state of the accounts in their entirety.

The reasonable adequacy and effectiveness of the departmental system of internal check and control is obviously of concern. A system, designed to conform to accepted accounting practices, protected by adequate safeguards, and operating as planned, may require a relatively light test, if preliminary examinations indicate it produces reliable results. If results are unsatisfactory, however, the auditor must consider whether and to what degree he should extend his testing or sampling to other transactions.

A third factor is the adequacy of the administrative pre-audit, which may be judged by the independence and skill of the personnel engaged thereon. An efficient, unintimidated internal audit may inspire the Auditor-General's confidence and justify a minimum test; an inefficient, servile audit may arouse his suspicions and call for an exhaustive review.

Another relevant consideration which arises is the relationship of the cost involved to the protection or benefit to the public treasury which may be reasonably expected to result. In auditing, as in economics, the law of diminishing returns applies. There is a point beyond which the extension of the audit process will serve no useful purpose and will produce negligible or no results. War-time experience has demonstrated that an intelligently applied test examination of a mass of related transactions can produce as reliable evidence of the accuracy of the accounts as a detailed and exhaustive scrutiny. And the information obtained in testing the detailed records will be of value not only in confirming the over-all accuracy of the accounts, but also in restoring perspective to examiners who might otherwise be inclined to see the trees but not the forest.

The materiality or importance of the individual transaction in relation to the whole should also be considered. It will generally be more profitable to the auditor to scrutinise ten transactions representing 25 per cent. of the total sum involved than to examine 50 transactions representing only 1 per cent. However, in this regard, the probability of error should not be overlooked. The relative risk of errors in the account, whether of omission, commission or of judgment, and the likelihood of fraud and deception, is greater in some classes of transactions than in others, particularly where personal certificates replace authenticated vouchers, and this fact may serve to modify the general application of the principle of materiality in determining the nature and extent of the test audit.

However, deciding the extent of the audit tests is not the auditor's only problem; he must also consider how the tests should be applied. For some accounts, a random sampling of items may suffice; for others, a scrutiny of a group of consecutive entries may be advisable; while for others, a careful examination of those transactions relating to a specific project or contract may be necessary, if the audit tests are to be representative of the whole account and are to produce results.

Although the initial tests may be planned with the utmost regard for the concepts of relative risk, relative cost, and materiality, although they may be executed with technical skill, and although they may reveal no evidence of malfeasance or dereliction of duty, the auditor's inquiries may not be complete. Transactions of exceptional nature may have occurred, which, because of the limitations of the tests employed, have not come to his attention. An analytical review of the year's operations will help to reveal these unusual items. By matching original estimates with final results, by comparing current transactions with those of previous years, and by checking actual costs or collections with predetermined standards, they may be located.

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The foregoing considerations apply with special relevance to the accountancy and administrative audits. They are applicable equally to revenue and expenditure transactions. Whether or not similar conclusions may be reached as to the advisability of testing the third and most important aspect of the legislative audit of expenditures—the appropriation audit—remains to be considered.

IV

Control over the public purse is an empty shadow unless the act of appropriation is followed by a rigorous examination to ascertain if the moneys granted for one object have been spent for another, and if the appropriation has been exceeded by the expenditure. To the Auditor-General this aspect of the audit is of particular concern. However, while it is his purpose to see that the accounts are fully and carefully audited, it is not regarded as his duty to check every transaction, if he is satisfied that the system, under which the payments are made and the accounts kept, provides safeguards on which he can rely. Although the Comptroller of the Treasury is an officer of the executive, he has been given certain specific statutory responsibilities with respect to appropriations. He is required to apply a stringent and detailed audit of expenditures before payment, and to register against the relevant appropriations all commitments as they are made to ensure that no issue is made in excess of the amount provided, or for purposes other than those intended, by Parliament. It is apparent that faithful adherence to these directions would constitute a comprehensive internal appropriation audit. Consequently, if a review of the Comptroller's pre-audit and appropriation accounting methods indicates that a satisfactory system of control is in effect, a test appropriation audit by the Auditor-General may be regarded as sufficient.

In the audit of expenditures the authority relied on for making payment is also of particular concern, and the auditor should seek to satisfy himself that documentary evidence is available indicating that the appropriate executive, departmental and treasury officials have approved each transaction, and have given the requisite certificates. Verbal evidence is not enough. Hearsay is no basis for an auditor's report, when the latter may require substantiation at any time before parliamentary committees.

Important also is the availability of vouchers and supporting documents bearing on the transactions under review. While it is clearly the auditor's duty to ascertain that there is a charge in the accounts for every cheque issued, and that each payment has been charged to the relevant appropriation, it is equally his duty to see that there is evidence available indicating that the transactions recorded actually occurred, and that they have been stated at their true accounting values.

V

The audit of revenue presents a particular problem, which makes it at once more difficult and less effective than the audit of expenditure. While the auditor of expenditure is reasonably certain that all payments have been reported, the revenue auditor has no assurance that all revenue transactions are known to him. In the case of expenditures, disbursing officers are usually eager to report and obtain credit for all payments made, and fraud, if such exists, is in the falsification of documents or in the suppression or distortion of some part of the evidence

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substantiating and justifying payment. The paying instrument, at least, is usually available to support the charge to the accounts, and in consequence the auditor is aware of all payments from public funds. With this basic information before him he may apply a definite audit programme, exercising his technical knowledge and skill in ascertaining to his satisfaction that all payments have been sanctioned by competent authority and that all relevant regulations have been observed, that proper vouchers, accurately computed, bear witness that value in the form of goods or services has been received, that payment has been made to the proper person, and that all moneys have been applied to the purposes for which they were voted. If the evidence necessary to settle any of these questions is lacking, the auditor is on notice that additional information is required, and further enquiries on the basis of the half-truth originally disclosed may bring the full facts to light. In the case of revenues, however, there is no certainty that all transactions have been reported, for losses or defalcations are most readily hidden by the suppression of receipts. There is no assurance that a collecting officer has avoided the temptation of omitting to report moneys received in order to obtain a fraudulent profit at public expense. The prospects of discovering a suppressed receipt are manifestly small. Only if the auditor is constantly at the side of every person who receives cash, and if he follows every item until it reaches the public treasury, will he be able to satisfy himself completely as to the accuracy of the revenue accounts. As this would entail the creation of an auditing organisation equal in size to the collecting establishment, at a cost out of all proportion to the benefit that might reasonably be expected to result, he must adopt other and less costly measures to satisfy himself that the revenues are being fully accounted for. No precise audit programme will cover all possible aspects of his inquiries, as he can never be certain that all pertinent information is before him. In practice he must rely to a great extent on a scrutiny of departmental collecting processes, on field examinations and surprise cash counts, and on a testing of individual transactions, but his plan of action should be broad and flexible leaving him free to adapt his methods of investigation to the circumstances of each case.

Generally speaking, the revenue audit has a fourfold purpose; to determine that complete information is available as to all moneys due, that all moneys due have been collected, that all collections have been reported, and that all reported collections have been deposited without undue delay to the credit of the proper account. In a commercial audit, a prime consideration is the efficiency of the system whereby amounts due are determined and recorded, for that is the first stage in the collection process, and the receivables thereby determined constitute a yardstick by which the effectiveness of the other phases of the system may be measured. Similarly in the theory of the legislative audit, it is recognised that the first objective of the revenue auditor should be to ascertain whether administrative regulations and procedure are sound in principle and are sufficient to ensure an effective check on the assessment of the revenue, and whether they are enforced by the department, and by sufficient tests to determine whether the collections have been duly made and reported.

In Canada, however, statutory and constitutional limitations have prevented the complete application of theory. By statute the Auditor-General is directed to satisfy himself that the revenues are being fully accounted for. But public revenue as defined by the Consolidated Revenue and Audit Act does not include revenue due or earned but uncollected; it means only cash receipts. Moreover, as departmental revenue accounts are maintained on a cash as distinguished from an accrual basis, the official accounts deal only with moneys actually collected and

brought to account, and the departmental records of receivables may be based on taxpayers assessment files, which by the terms of the taxing legislation are available only to persons legally entitled thereto. As the Auditor-General is, in effect, directed to examine cash receipts, the law officers of the Crown have expressed the opinion that the assessment records are not of official concern to him, and that income tax, excess profits tax and succession duty assessments are not available for his inspection. Consequently he neither surveys the assessment system nor tests assessments, and his examinations of these revenues are limited to a review of the collection procedures and a test comparison of collections and deposits.

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The inherent difficulty of the revenue audit, of determining whether more should have been collected than has been reported, has not been lessened by the statutory ban which has prevented the Auditor-General from testing assessments. As the foreknowledge of an ultimate audit of transactions is a strong deterrent to laxity and fraud, so the knowledge that no audit is contemplated may be an incentive to carelessness and an invitation to theft. Consequently, when statutory restrictions do not intervene, the Auditor-General should seek to supplement his survey of the collection procedures and his test audit of the collections by a review of the assessment system and a limited check of the assessment calculations.

VI

A balance sheet, prepared on a modified cash basis, and certified by the Auditor-General, is included annually in the Public Accounts of Canada. In the examination of the accounts of the government assets and liabilities, stated thereon, special problems arise, of which those relating to existence, full disclosure and valuation are of particular importance. In the balance sheet audit it is not enough for an auditor to ascertain that an asset or liability is shown at the figure at which it appears on the books, nor is it enough to apply tests in strict fulfilment of the limited requirements of the accountancy and authority aspects of the audit. In addition, the auditor should satisfy himself that all assets are recorded and are in existence at the date of the balance sheet, that all existing liabilities are fully disclosed, and that all assets and all liabilities are properly valued. In one respect the balance sheet audit is comparable to the revenue audit, for in both a major objective is to determine that all transactions have been recorded: that is, the auditor must ascertain on the one hand, that all moneys due have been reported, and on the other, that all assets acquired and liabilities incurred have been fully disclosed. Similarly, the existence aspect of the asset audit is comparable to the expenditure audit, for in both evidence is usually available on which inquiries may be based, and from which, if the auditor is competent and persistent, the true facts may be ultimately determined. However, it is in its valuation aspect that the audit of assets and liabilities presents a major difficulty, and this will now be considered.

An open question in accounting is the extent to which original cost and present value should be reflected in the accounts and financial statements. In commercial practice the thesis that "costs are the fundamental data of accounting" is generally accepted, but an unqualified adherence to cost in accounting records is regarded by many as neither practical nor desirable. It is true that in the first instance cost is the basis on which asset values are recorded, but it is equally true that cost at the time of acquisition is usually the fair market value. And if current value at the time of acquisition is the basis for the initial record,

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it may be argued with some justice that current value should be reflected in current accounting records. In practice, if current values are considerably less than costs or initial values, and there is no reasonable prospect that these costs will be recovered, it is generally agreed that appropriate recognition should be given to fairly determined present values.

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In Canada the question as to how the assets and liabilities of the Dominion should be recorded is conditioned to some extent by these considerations and by the form of the balance sheet. Since Confederation, a principal purpose of the balance sheet has been to disclose the amount of the "net debt" of Canada. Prior to 1920 this was calculated by offsetting all assets except those representing capital outlay against the gross liabilities. In 1920 the balance sheet was revised and the formula for computing the net debt was modified by deducting from the gross liabilities only those assets which were considered to be currently realisable or revenue producing. As the Minister of Finance explained in his Budget Speech of that year:—

Assets which are not readily convertible as the specie reserve is convertible, or are not interest producing, are not such assets as might be deducted from the gross debt. They are inactive, they are items of such a character as might well be placed in a suspense account. At any rate, whatever may be their future value, however great it may be, they are not assets of such a character as to directly reduce the gross debt any more than the capital accounts of the country ought to be deducted from it.

Thus the net debt consists of the balance of the Consolidated Deficit Account representing the accumulated net deficits on current account, the capital expenditures on certain government-owned properties of national importance, and those loans and investments which are regarded currently as neither productive nor realisable and which are labelled "non-active."

It is apparent that, in distinguishing between those assets which are liquid and revenue producing and those which are not, considerations of value automatically arise. If an unproductive asset is classified as active, the Auditor-General is bound to qualify his audit certificate and to report to the House of Commons; if a productive asset is classed as non-active, he is equally bound to report. Consequently, a special phase of the legislative balance sheet audit is the determination of accounting values on the basis of present worth.

How such values are to be determined is a question of no little difficulty. Lacking statutory instructions commercial practices are followed: cash balances are counted and checked; accounts receivable are confirmed and valued; inventories are verified and priced; deferred charges are calculated; and the adequacy of reserves against specific assets is appraised. However, in some cases, commercial standards and procedures are inapplicable due to the magnitude and volume of the transactions or to the nature of the assets. For those recorded assets, which represent moneys due in respect of inter-governmental transactions, ultimate realisation may depend on public policy, and on the legislative sanction of debt renewals, cancellations or adjustments. Valuation under such circumstances is difficult. It was for this reason that in 1941 a reserve for possible losses on the ultimate realisation of active assets was created. Designed to provide for valuation adjustments in the total of active assets, when it was impossible or inexpedient to disclose the amount of estimated or anticipated losses on specific assets, the adequacy of the reserve is clearly a matter of concern in the audit. But if there are difficulties in the determination of the appropriate value at which

THE LEGISLATIVE AUDIT

a single asset should be stated, those involved in determining the sufficiency of a reserve applicable to many assets of widely varying character are infinitely greater. Nothing short of a careful valuation of each recorded asset would give a wholly satisfactory result, but again limitations of time and staff necessitate reliance on a test. And, as in the other aspects of the audit, the selection of the items to be tested calls for the utmost care and skill, with materiality, or relative importance, a principal factor in determining those items which should be selected for testing.

VII

Sufficient has been written to indicate that the legislative auditor should be bound by no procedural rules or formulæ. He should undertake his duty, as a servant of Parliament, with a rare degree of freedom to determine the extent of his examinations and the nature of his reports, with only the strictures of custom and usage to restrain him from reporting on, or intervening in, purely administrative matters. With an effective system of internal financial control operating, and with a strong internal audit in force, he need not conduct a detailed examination of transactions. The application of reasonable skill, care and caution is necessary, but the auditor need not, like Hotspur, "cavil on the ninth part of a hair." If the constant application of checks and controls provides a satisfactory sequence of safeguards for the protection of the public interest, he may rely on a survey of system and a limited sampling of transactions, reporting to the House of Commons the results of his investigations. Whether it is his immediate purpose to ascertain if revenues have been fully accounted for, if expenditures have been properly authorised, if assets are in existence and are properly valued, or if liabilities are fully disclosed and are recorded at their correct values, he is endowed with a wide measure of discretion in determining the degree or intensity of his tests, the subjects of his reports, and the phraseology of his certificates. But, while the audit reports and certificates are expressions of opinion, they should be expressions of an independent opinion reached in the light of objective facts ascertained by reasonably careful and comprehensive inquiries, tests, and investigations to the end that Parliament may learn if the financial laws which it has made have been faithfully executed.

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The Prime Minister and the Organisation of his Staff

[Paper submitted by the Institute of Public Administration to the International Congress of Administrative Sciences]

THE British constitution is unwritten and is built up on practice and precedent over very many years. Its procedure is well defined in some respects; in others less so; new situations arise and to meet them there are modifications, often imperceptible, which in themselves become precedents and part of established practice. For these reasons it is impossible in many cases to be dogmatic on

broad constitutional issues, and it may well be misleading to say, for example, that "the King must do this" or that "the Prime Minister must do that." It will often be found that there is an exception or that an exception can be made which in itself will prove a precedent.

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Therefore to define in precise terms the general relationship between the King and the Prime Minister is difficult even if the matter were to be set out at length. It is impossible to do so in a few paragraphs. What follows is only a brief and simplified outline of the main principles of this relationship.

The British monarchy is hereditary and constitutional, the King being head of the State. Hereditary explains itself but constitutional needs some explanation. The first main point to note is that under this system Ministers must be prepared to assume responsibility for every act or omission of the King which has any political significance. This is a fundamental constitutional doctrine and it follows as a necessary corollary that on all such matters Ministers have the right to tender advice. This is the basis of the well-established tradition that in the last resort the King accepts the advice of his Ministers, although this does not in any way derogate from his right and indeed duty to make known to Ministers his views about or objections to any course of action they propose.

On general matters the King is advised by the Prime Minister, and on matters affecting only individual Departments of State by the Minister in charge of that Department.

It will be noted that Ministers are responsible not only for every act but also for any omission of the King which has political significance, and Ministers cannot avoid responsibility in any particular case by not choosing to tender advice. This would be a deliberate decision on their part and therefore they would still remain responsible. It may also be asked how it is possible to decide whether any act or omission will have political significance. This is not ordinarily in doubt and borderline cases can be adjusted by the exercise of tolerance and commonsense. On the whole, however, the tendency has been to regard more and more matters as having political significance.

The second main point which requires noting about the implications of constitutional monarchy in this country is that the King should not take sides in party politics. This was not observed even so late as the middle of the last century. But it is now an accepted principle of the monarchy in this country, and indeed one of its great strengths, that the King not only does not take sides but is clearly seen to be impartial. This, however, in no way affects the position that the King is entitled to expect the support of his Ministers where he has acted on advice and similarly that Ministers in their turn are entitled to expect the confidence of the King. Naturally the relationship between the Prime Minister and the King is closer than that of any other Minister.

The choice of a Prime Minister by the King is not made on formal advice or submission. In many cases the choice is clear, but the King has an absolute right in all cases to consult anyone he pleases. This right may of course be of the greatest value in cases where there is doubt about the choice; such as in the event of the death of a Prime Minister in office, the resignation of the Prime Minister for personal reasons, a complicated political situation, and so forth. Nevertheless, as the King should not exercise, or appear to exercise, any political bias, he would normally choose as Prime Minister the leader of the Party having the largest number of seats in the House of Commons. Customarily he would make his choice in a clear case of this kind without any overt or personal consultations, as such consultations might imply political partisanship.

PRIME MINISTER AND ORGANISATION OF STAFF

While there is no constitutional bar to the choice of a Peer as Prime Minister no such choice has in fact been made since the end of Lord Salisbury's administration in 1902, and the passing over in 1923 of Lord Curzon in favour of Lord (then Mr.) Baldwin may possibly mark a constitutional convention excluding a Peer from being Prime Minister.

The Prime Minister himself recommends to the King those whom he proposes for appointment to the Ministerial offices comprising the Government. Equally the Prime Minister himself recommends any changes in Office or any dismissals from Office.

Although the nomination of Ministers rests with the Prime Minister, the King may exercise a considerable influence; but, being a constitutional monarch, he is bound in the ultimate resort to accept the advice of the Prime Minister, or find another Prime Minister who can command the support of the House of Commons or the country. There are no known cases in recent years when the King has in the final resort not accepted a recommendation of the Prime Minister for the appointment of a Minister.

In selecting the members of his administration the Prime Minister is not bound to consult anyone, though normally he would consult other leading members of his Party. The Cabinet as such, however, has no right to be consulted, but the Prime Minister is perfectly free to do so if he wishes.

THE PRIME MINISTER AND HIS STAFF

The Office of the Prime Minister is not founded on any statute and does not carry with it the charge of any Department. The Prime Minister has no statutory powers. His powers derive primarily from the fact that he is normally the chosen leader of the political Party with a majority in the House of Commons, and that as such he has been asked by the King to be Head of the Government. The extent to which the powers latent in this position are made real, depends on two things:—

- (a) The personal influence of the Prime Minister over the Ministers who make up the Government. The Prime Minister, if he wishes, selects his own Ministers. He can do so without consultation, although normally he would consult his senior colleagues. Equally he has the power to recommend their replacement or dismissal, and he can, by his own resignation, bring about the resignation of the whole Government. These powers are great, and the Prime Minister always has them in reserve. But if they were used arbitrarily or harshly the influence of the Prime Minister and the cohesion of his administration would suffer greatly. The essential point, however, is that these powers can be exercised by the Prime Minister if he wishes, entirely on his own initiative without consultation with the Cabinet, or indeed, with any of his colleagues.
- (b) The Prime Minister's chairmanship of the Cabinet and some of its most important Committees, particularly the Defence Committee. Responsibility for the Government's policy as a whole is borne, not by the Prime Minister himself, but collectively by all Ministers. This is the principle of collective responsibility, and is the fundamental basis of Cabinet Government in this country. Under this system, a Minister must either accept the agreed policy of the Cabinet (even if he himself is not in agreement) and implement it to the best of his ability, or else resign from the Government. But this

PUBLIC ADMINISTRATION

principle of collective responsibility does not detract in any degree from the responsibility of a Minister to Parliament and to the public for the administration and efficiency of his own Department. Because of their collective responsibility Ministers have a right to bring their views either orally or in the form of memoranda to the Cabinet on any matter, whether within their own Departmental jurisdiction or not. Equally because of Ministers' individual responsibility for the work of their own Department, each Minister has the right to expect, and if necessary demand, that any question affecting his Departmental responsibility shall not be decided without consultation with him.

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The Prime Minister is also normally the First Lord of the Treasury. This Department has substantial statutory and other powers, but the day-to-day work is under the charge of the Chancellor of the Exchequer and the Prime Minister is not directly concerned. Nevertheless, the Prime Minister does derive one very important power from his position as First Lord, namely, his ultimate power of control of the Civil Service, and this is an important factor in maintaining the unity of the Service as a whole.

The Prime Minister does not now normally take charge of any other Department, although in the past Prime Ministers have combined with their Office the Offices of Chancellor of the Exchequer, Foreign Secretary and others. But in the spheres of Foreign Affairs and of Defence, the Prime Minister has a somewhat special position. The relationship between the Prime Minister and the Foreign Secretary is probably closer than that between the Prime Minister and any other Minister. Matters of political importance are of more frequent occurrence in the sphere of work of the Foreign Secretary than perhaps of any other Departmental Minister. All these matters cannot be brought to Cabinet, and for this reason the Prime Minister must keep closely in touch with foreign affairs. Normally when the Foreign Secretary is away, his duties are undertaken by the Prime Minister. In the sphere of Defence, the Prime Minister retains the supreme responsibility and is Chairman of the Defence Committee. This supreme responsibility is not affected by the appointment of a Minister of Defence.

Ministerial Assistance for the Prime Minister

There is no regular arrangement for the appointment of Deputy Prime Minister; all Ministers in the Government are ranked in order of precedence by the Prime Minister and if he is unable to take the chair at a meeting of the Cabinet the next available Minister in order of precedence does so. To some extent, however, the Prime Minister's responsibility for the general co-ordination of policy and supervision of the working of the Government machine is shared with those Ministers whose responsibilities are wide-ranging, either in virtue of their office (such as the Foreign Secretary and the Chancellor of the Exchequer), or because they are chairmen of important Cabinet Committees.

The Staff Available to Assist the Prime Minister

Since the Prime Minister has no statutory powers and no Department, he has no need for a large staff; to a considerable extent he draws his advice and assistance from all Departments. The staffs which are in the closest contact with him, however, are:—

- (a) His private secretaries and other personal staff.
- (b) The Secretary of the Treasury.(c) The Secretary of the Cabinet.

PRIME MINISTER AND ORGANISATION OF STAFF

The Prime Minister has on the one hand in the transaction of official business the advice of the Secretary of the Treasury, and on the other in the conduct of Cabinet affairs that of the Secretary to the Cabinet; but there is a wide range of business requiring experienced handling and knowledge of precedents and tradition which lies within the immediate orbit neither of the Treasury, nor of the Cabinet Office or any Department. This includes the transaction of business with the Crown, changes of Government and appointments of Ministers, when advice on precedents and procedure are especially important, personal relations with Heads of Governments—either within the Empire or abroad—personal relations with other Ministers, Honours, and certain scholastic and ecclesiastical appointments, and appointments to many institutions of a national character, such as the British Museum, the National Gallery, and so forth.

Private Secretaries

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The Prime Minister's Private Secretaries are normally drawn from the permanent Civil Service, and their duty is to assist him in handling his work. They are not responsible for advising on policy or for executing the Prime Minister's decisions on policy. Their most important duty is to see that when matters are before him he receives advice from the appropriate authority and that his advice and decisions are properly and clearly conveyed to that authority. In the case of purely Government business the appropriate Department must be informed or in matters outside Government machine the appropriate authority. The advice which comes to the Prime Minister from Departments should always have the authority of the Departmental Minister. There are very few exceptions to this.

The Private Secretaries are also responsible for the routine of the office, keeping of records, and handling of the Prime Minister's secret and confidential business.

Other Personal Staff

Some Prime Ministers have included in their personal staffs, in addition to their Private Secretaries, one or more Personal Assistants or Advisers chosen for their expert knowledge in a particular field in which they can give special help to the Prime Minister. The present Prime Minister had two such advisers, one on economic questions and one on public relations.

The Secretary of the Treasury

As has been stated, the Prime Minister is not concerned with the day-to-day activities of the Treasury. General financial policy, the control of Government expenditure and the supervision of the Civil Service are Treasury functions for which the Chancellor of the Exchequer is the responsible Minister, while each Minister is responsible for the internal organisation of his own Department. There is, however, an exception to this, in the rule that for appointments to the highest permanent posts in Departments the consent of the Prime Minister is required. In this matter the Prime Minister is advised by the Secretary of the Treasury. This arrangement ensures that the information available in the Treasury regarding the Civil Service is put at the disposal of Ministers in making these appointments, so that the highest administrative posts may be filled by the best men from the whole Civil Service and not merely by promotion within each Department. Apart from this particular arrangement, the Secretary to the

Treasury is in a position to advise the Prime Minister on questions concerning the allocation of functions between Departments, the creation of new Departments, and other questions of inter-departmental machinery.

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The Secretary of the Cabinet

The Secretary of the Cabinet is a permanent civil servant and head of the Cabinet Office. This office has no statutory powers or executive responsibilities; it exists merely to assist Ministers in the exercise of their collective responsibility through the Cabinet and its Committees, by handling the business and keeping the records of these bodies, seeing that Ministers who are departmentally concerned with questions under discussion are invited to their meetings, and all Ministers are kept informed of their decisions. The Cabinet Office thus serves all Ministers and is strictly impartial between Departments. The Secretary of the Cabinet, however, has a special responsibility towards the Prime Minister for the conduct of Cabinet business, and also for advising him on questions arising out of the working of the Cabinet Committee system. For example, he may draw the Prime Minister's attention to the need for a new committee or the opportunity for abolishing an existing one, or make other suggestions designed to ensure that changes in the character of Government business are reflected in the Committee organisation.

Resolutions adopted by 7th International Congress of Administrative Sciences

1st Question

I. The citizen should be protected against the abuses or the errors of the administrative authorities, through measures for the control of administrative activities and especially through the provision of official recourse easily accessible to all interested parties.

II. With the objective of responding continuously to the purposes which they are created to serve, administrative authorities should seek constantly to perfect their organisation, improve their management and modernise their operation, giving rightful attention to conditions of work and respecting the rights and consulting the views of their employees.

III. Administrative authorities should give careful attention to the ethical development of the public employee, as well as to his professional progress, with the especial objective of inculcating a respect for law and for fundamental human rights.

IV. For the accomplishment of special objectives the administrative authorities may, when not prohibited by law, utilise under appropriate condition, the services of organisations or agencies, existing or to be created, independent of said administrative authorities, or may give assistance to such independent organisations or agencies.

2nd Question

I. It must be observed that under the title "chief executive" institutions of enormously varying organic structure have been encompassed. The functions of these authorities consist in the main "of co-ordinating administrative policy and the activities of the different agencies of the State, especially those of the Ministries, for the purpose of accomplishing a programme or general plan."

II. In all countries it is important that the agencies exercising the powers of the chief executive have at their command appropriate services to fulfil their role of co-ordinator.

3rd Question

I. This Congress affirms the belief that the efficiency and smoothness of administration and the contentment of the staff are promoted by establishing in the Public Service standing machinery by which representatives of the Government and of the staff associations are brought into constant contact for the discussion not only of conditions of service and all other matters affecting the interests of the staff, but also of other problems of administration in which the experience and ideas of the staff may be of assistance.

II. The Congress is further of the opinion that the constitution of this machinery should be such as to make it possible for the conclusions reached by agreement between the two sides to be operative, subject always to the preservation of the responsibility, and consequently the authority, of the administrator or, where relevant, of the Minister.

4th Question

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1. Relations between central and local and/or provincial authorities are organised and operate subject to the prevailing political system, and to economic and social conditions in each country. These relations should be developed in an atmosphere of mutual confidence and good will within the framework prescribed by the laws.

II. The increase in the number and size of the public services should not be permitted to vitiate the importance of the local and provincial authorities, and it is incumbent upon the central power to assure a normal scope of activities to such authorities and to utilise their services where appropriate.

III. With the objective of ameliorating the financial difficulties of the local and provincial authorities, without incurring the necessity for large-scale extension of grants in aid which tend to reduce the real scope of liberty accorded to such authorities, adequate resources for the fulfilment of their function and powers permitting their economic utilisation must be provided, and at the same time a clear definition developed as to the expenses corresponding to the central power and to the local and provincial governments.

5th Question

To facilitate the realisation of the views hitherto expressed, the International Institute of Administrative Sciences will:—

(1) Put at the disposition of the Member States and their agencies its library and all of its documentation in connection therewith;

(2) Undertake all inquiries or studies and prepare such projects and plans or agreements of a nature to expedite efforts in the sense indicated in the previous sections;

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(3) Continue to occupy itself actively with the problems indicated, through its Secretariat, through future congresses and general assemblies or round tables, regional or international conferences, or others, similar to those held prior to the recent war;

(4) Publish appropriate articles and materials in its "Revue des Sciences Administratives" and in other periodicals as well as monographs and reports:

(5) Stimulate, through its international relations, the collaboration of interested governments, scientific institutions and associations and competent experts in administrative affairs whose aid may be useful;

(6) Charge ad hoc commissions with the study of certain problems and create, moreover, two permanent special committees, one "scientific" for the examination of problems of administrative law and of predominantly theoretical character, the other "technical" for questions of administrative method, technique or practice;

(7) Promote cordial collaboration with associations of civil servants either directly or through the intermediary of the national sections of the Institute.

The Needs of the Aged

By JOHN Moss, C.B.E.

Vice-Chairman of the National Old People's Welfare Committee

DURING the last few years increased attention has been given to the needs of the aged, and several valuable reports have been published on the subject. The importance of the problem is shown by the fact that in 1931 there were about 44 million persons of pensionable age (60 for women, 65 for men) or one in ten of the population. In 1961 it is estimated there will be more than eight million or one in six. A factor contributing to the growing proportion of old people is that people are now living to a greater age. It is therefore very necessary, not only from the point of view of the happiness of the old people themselves but also from that of the social life of the whole community that their welfare should be carefully considered. The National Old People's Welfare Committee was established by the National Council of Social Service and can claim to be largely responsible for the greater interest which is being taken in the subject, particularly through the establishment of local old people's welfare committees in different parts of the country. Miss Eleanor Rathbone, M.P., was the first Chairman of the Committee, and held this office until her death in 1946. Mr. Fred Messer, M.P., is now the Chairman. The Committee includes representatives of all the national organisations which are working in this field, such as the British Red Cross Society, the National Federation of Housing Societies, the Queen's Institute of District Nursing, the Royal College of Nursing and the Women's Voluntary Services. A booklet, entitled "Old People's Welfare," which

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was published by the Committee and is being brought up to date, explains very clearly the various forms of help which can be given through voluntary enterprise under the following headings:—(1) Visiting Old People; (2) Home Helps; (3) Communal Meals; (4) Old People's Clubs; (5) Housing Schemes; (6) Voluntary Residential Homes; (7) The formation of Housing Associations.

The care and treatment of the elderly and infirm is a subject which has been greatly neglected. In too many instances they have been in bed for years in the infirmary of a public assistance institution and very little has been done for them except to make them reasonably comfortable and prevent them getting bed sores. The reports of the surveyors appointed by the Nuffield Foundation and the Ministry of Health to inspect hospital provision throughout the country which ultimately led up to the passing of the National Health Service Act, 1946, showed the disgraceful conditions under which many of these unfortunate patients were being accommodated in obsolete and gloomy institutions, although there were notable exceptions where the country and county borough council concerned had provided better facilities than generally existed. The medical profession has not been sufficiently alive to the needs of the chronic sick, but through the urge given by certain doctors who are pioneers in this field there is an increased consciousness in this respect. Those who are deeply concerned with the subject were therefore delighted when the Representative Body of the British Medical Association adopted the following resolution in July, 1946:—

"That this meeting is of the opinion that inadequate provision is at present made for the treatment and care of the elderly and/or infirm and instructs the Council to set up a Committee to investigate the whole position and report."

A special Committee was accordingly appointed in November, 1946, under the chairmanship of Dr. A. Greig Anderson, and composed of 18 medical men and women, together with persons nominated by the Queen's Institute of District Nursing, the National Old People's Welfare Committee, and the Institute of Almoners. This Committee recently issued a most valuable report.

REPORT OF B.M.A. COMMITTEE

To facilitate consideration of the varying needs of old people in health and sickness, the Committee began its work by classifying persons above the age of 60 in the following categories:—

(1) The elderly.

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- (2) The elderly and infirm.
- (3) The elderly sick:-
 - (a) acute sick.
 - (b) long-term sick (potentially remediable).
 - (c) irremediable.
- (4) Elderly psychiatric patients:-
 - (a) those not requiring mental hospital treatment:
 - (i) those who can stay in their own homes;
 - (ii) those needing custodial care in a long-stay annexe:
 - (b) those in need of active psychiatric care or treatment in a mental hospital.
- (5) Other special groups.

The field surveys carried out by the Nuffield Committee under the chairmanship of Mr. B. Seebohm Rowntree, C.H., LL.D., showed that some 95 per cent. of

old people live in private dwellings. The B.M.A. Committee thought it important that the relatively able-bodied elderly should not be segregated from the rest of the community, but that separate accommodation, specially designed for them, should be included in general housing schemes. This supports the views which have been expressed on many occasions by the National Old People's Welfare Committee which has constantly urged that housing authorities should make adequate provision for the aged on their housing estate.

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In Category (2) are those elderly people who suffer from the disabilities of age but not from extreme frailty or from chronic disease. Their need is for admission to suitable Homes or hostels providing domestic care rather than continuous medical or nursing attention. With regard to these and the elderly sick the solution of the problem which the Committee favoured is the gradual establishment in selected general hospitals-including teaching hospitals-of special geriatric departments. The consultant in charge of such a department would be available to advise on the condition of any elderly patient in the hospital, and in suitable cases patients would be admitted or transferred to the geriatric wards for observation, treatment or rehabilitation. It would be the special responsibility of the geriatric department to assess, in consultation with other members of the hospital staff, the prospects of recovery of the long-term sick, and to arrange the resettlement of patients leaving hospital and unfit to live in their own homes. Those considered irremediable would be admitted to long-stay annexes, closely associated with the hospital. Those who on discharge from hospital are adjudged to be suitable for admission to residential homes would be allocated accordingly.

There is general agreement that in the preparation of new housing schemes provision should be made for persons of all age groups, and that the able-bodied elderly should not be segregated from the rest of the community. It is suggested in the Report that there are advantages, however, in housing the elderly in a particular part of a housing area or block of flats, as this facilitates the provision of background heating and communal meals, as well as home help, nursing and visiting arrangements. Houses for the elderly and residential homes for groups of old people should be situated, whenever possible, in the districts in which the residents have previously lived, so that they may be able to keep in touch with their friends. Experience shows that the sites should be chosen conveniently near to churches, shops and places of entertainment. I have heard of some cases where old people's homes have been established in country houses in what appear to be most ideal surroundings, with beautiful gardens and so on, but it must be realised that the majority of old people have never lived in such surroundings and although some of them appreciate a garden, more of them appreciate easy accessibility to ordinary town life where they can go shop gazing and, in the case of the men, even sometimes visit the local public house.

THE NUFFIELD REPORT

The Nuffield Committee, to which I have already referred, was appointed with the following terms of reference:—

"To gather as complete information as possible with regard to (i) the various problems—individual, social and medical—associated with ageing and old age; (ii) the work being done by public authorities and voluntary organisations, and the public and private resources that exist, for the care and comfort of old people in Great Britain; (iii) the provision made for old people in those countries that have given special thought to this matter;

(iv) medical research on the causes and results of ageing; and (v) the lines on which action might usefully be taken in the future by public authorities and private organisations, including the Foundation."

The Report of the Committee which was published early in 1947 should be read by all who are interested in this subject, and at the present time when so many people in all classes of life have elderly relatives for whose care it is difficult to provide, there must be large numbers of people who are thus con-cerned either directly or indirectly. The issue of this Report served as a great stimulus for the work of the National Old People's Welfare Committee as also of national societies and local committees throughout the country. There is not space in a short article to deal comprehensively with such an important Report, but I hope a few references to it will result in some people reading it who have not already done so. Perhaps one of the most interesting and useful pieces of work done by the Committee was a survey of endowed charities which was made by qualified investigators and indicated clearly that the administration of many endowed charities is so confused, and the trust deeds under which many of them are administered so archaic, that the whole picture is one of chaos and of frustration of the spirit in which the charities were originally endowed. basic reason for this state of affairs is the inflexibility of the legal and administrative machinery and its inability to change the terms of the trust deeds to keep pace with the changing needs of old people in an era of developing social services. A Report of this Survey was published separately and should be studied by those who are particularly interested in this aspect of the subject. The Nuffield Committee expressed the opinion that an ad hoc body should be appointed by the government to undertake a comprehensive review of all endowed charities which exist for the benefit of old people, or of which old people are the principal beneficiaries, with the object of indicating what changes are necessary to ensure that the total resources of the charities are used so as best to promote the general well-being of old people.

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old er; On the question of the financial provision for the aged, one of the most satisfactory features of the contemporary provision for old people is that, largely as a result of the supplementary pensions scheme introduced by the Old Age and Widows' Pension Act, 1940, acute poverty has been substantially abolished among the aged. It is generally agreed that the flexible administration of the Assistance Board has been markedly successful in adjusting benefits to need in a humane but not unreasonably extravagant manner. The provision of the increased standard pension under the National Health Insurance Act, 1946, under which a pension of 26s. a week is paid to a man on retirement and 16s. to his wife does at any rate meet their basic financial need, particularly as such allowances can be supplemented in case of further need by the Assistance Board.

OCCUPATIONS FOR OLD PEOPLE

In the section of the Nuffield Report dealing with recreation, it is emphasised that two factors limit the forms which this may take in the case of old people. One is their physical condition and the other is shortage of money. In so far as apathy causes old people to forego recreations that are within their power and means—such, for instance, as handicraft work and reading—the matter can be dealt with comparatively simply in institutions and Homes, but not so easily in the case of old people leading independent lives. On this point, I may perhaps interpose a personal experience. The Public Assistance Committee for the County of Kent, some months ago decided to appoint a woman welfare

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officer to help to brighten the lives of old people in the various county institutions and old people's homes and, in particular, try to get them to occupy themselves. Although some good work has been done in this connection, it has been found that many old people who have settled down in institutions seem to be content to do nothing, and it is difficult to say whether they are really happy or not. On the other hand, when an active elderly woman first enters a communal home, she is more likely to respond to some elementary training in handicrafts and so on, and after perseverance and guidance may become enthusiastic when she sees the result of her labours in the form of soft toys and so on.

In the case of old people in their own homes there is no doubt that one of their greatest scourges is loneliness. Many old people live alone and they like living alone—they like doing their own shopping, but a friendly visitor who is not officious and who is willing to lend a hand when the old soul is not feeling very well, will always be welcome. When, however, they can get about, as most of them can, it has been found that one of the greatest boons in their lives is to be able to attend old people's clubs, or so-called veterans clubs, either for men or women, or mixed. This is a type of activity which should be greatly extended. The loan of free premises can sometimes be obtained. Settlements, community centres, churches, co-operative societies, boys' clubs, and men's clubs may be able to help. The old people usually only require the use of the club during the daytime, particularly in the afternoon, and often premises which are in constant use during the evening, are available during the day. Each club should have a committee of voluntary workers responsible for its organisation. Sometimes the responsibility of forming a club will be accepted by a church congregation or by organisations such as Rotary or Inner Wheel Clubs, Women's Citizens' Associations, Townswomen's Guilds or a group of Rangers. If there is a local old people's welfare committee already in the district a sub-committee can be formed to organise the club or clubs. Once the club is launched, however, and a membership established, it has been often found that the members themselves like to form their own committee. I hope that one result of my writing this article will be that some members of Women's Institutes will enquire what is being done in this connection in their own district, and if they find nothing is being done, I hope they will get some of their friends together and do something in this way. If there is a local old people's welfare committee in the district, the first thing should be to contact that committee. One of the objects of the National Old People's Welfare Committee is to avoid overlapping, both at the central and local levels, and to ensure full co-operation of all who are willing to engage themselves in this beneficent work.

NATIONAL CORPORATION FOR THE CARE OF OLD PEOPLE

Perhaps the most important step which has been taken in promoting the welfare of old people by private enterprise is the establishment of the National Corporation for the Care of Old People, which was formed recently by the Nuffield Foundation in co-operation with the Lord Mayor of London's National Air Raid Distress Fund. For some time grants have been made from the Fund for the establishment of Homes and hostels for old people in all parts of the country by local old people's welfare committees, and such bodies as the Women's Voluntary Services. In future, assistance for this and other purposes will be the responsibility of the Corporation, and the Foundation has undertaken to provide £500,000 in the early years for this purpose. The Lord Mayor's Air Raid Distress Fund has also earmarked a further very substantial sum for grants to be made, through the Corporation, towards the cost of accommodation and other help for

old people who have suffered distress from air raids. It is hoped that the Corporation will attract funds, large and small, from other sources. It will be the aim of the Corporation to encourage and support the efforts of local and national bodies working for the welfare of the aged, and particularly to assist them to provide in a kindly and efficient manner for the accommodation and care of old people, especially those who are lonely, infirm or invalid. For this purpose the Corporation will be empowered, not only to make grants and loans towards the cost of schemes for the welfare of the aged, but to accept gifts and to hold property on trust; and it will maintain an expert advisory and consultative service on technical matters concerned with the aged.

The Corporation will not be solely a passive recipient of applications, whether for financial help or advice, but it will take the initiative by offering grants or loans to responsible local bodies in areas where activity for the welfare of the aged is discovered to be lacking. It will establish and demand desirable standards for Homes or other schemes applying to it for grant aid, and it will encourage or undertake further research and experiment, and will publish the results for the guidance of both statutory and voluntary bodies. Wherever possible the National Corporation will seek to foster co-ordinated activity by local authorities and voluntary charitable bodies in any area, with the object of securing an integrated provision in that area to meet the various needs of old people. In these and other matters, the National Corporation has been conceived as a complimentary partner of the National Old People's Welfare Committee, whose advice and co-operation (along with that of other bodies active in this cause, and of government departments) will be sought by the Corporation which will not, however, assist individuals seeking accommodation or other help.

The governing body of the National Corporation has been appointed equally by the Nuffield Foundation and the Lord Mayor's National Air Raid Distress Fund, and consists of Sir George Wilkinson, Bart., as Chairman, Sir Bracewell Smith (the present Lord Mayor) and Sir Frederick Welles, all appointed by the Lord Mayor's Fund; the Hon. Geoffrey Gibbs, C.M.G., as Vice-Chairman, Lady Somerton, M.B.E., and Mr. L. Farrer-Brown, J.P., appointed by the Nuffield Foundation. As was explained in a special article in *The Times* by Sir William Goodenough, on the 28th July, 1947, though charity is no longer needed or acceptable, there is a growing demand for accommodation and other services suited to the needs of old people. The fact that the Minister of National Insurance (Mr. James Griffiths) spoke at the inaugural meeting at the Mansion House when the Foundation was launched, shows clearly that in the views of the Government there is still scope for voluntary effort in this field.

LOCAL AUTHORITY RESPONSIBILITY

The present statutory responsibility for the institutional care of the aged is on the public assistance committees of county and county borough councils as the successors of the boards of guardians. This responsibility will still remain when the poor law administration is brought to an end under the forthcoming National Assistance Bill. In the meantime the Ministry of Health suggested in a Circular dated 7th March, 1947, that existing services should, wherever possible, be improved in anticipation of the new legislation. It expressed the hope that authorities would find it possible to resume the process, interrupted by the war, of establishing small Homes for the aged, and indicated that the Minister would be prepared to consider schemes for the acquisition and adaptation of suitable premises for this purpose, even where priorities or compulsory purchase were

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involved. As the result of this Circular, many public assistance authorities are purchasing houses for adaptation as old people's homes, but the present labour and supply position makes it difficult for work to proceed at all rapidly. Incidentally it is noteworthy that voluntary bodies seem able to get old people's homes established more rapidly than local authorities, who are often embarrassed by the necessity to obtain so many sanctions before they can proceed with the work. There is clearly scope for the provision of old people's homes by voluntary bodies as well as by local authorities, but it is my personal view, and in this I am supported by many others who have knowledge of the subject, that it is desirable that voluntary bodies, such as local old people's welfare committees, should concentrate more on providing Homes or hostels for people who can pay perhaps two or three guineas a week than for the old age pensioner class. There are very many elderly people who, before the war, were able to live more or less comfortably in the cheaper type of boarding house, or private hotel, but who are finding it extremely difficult to exist in present conditions. It is a great boon to them when they can hear of some voluntary hostel or home where they can live-perhaps taking some of their own belongings with them-and pay a charge within their means which meets the total cost of maintenance if the cost of the building has already been met. It seems to me that at any rate for some time to come there is room for local authorities and voluntary bodies to go along side by side in meeting this need. Voluntary bodies have been pioneers in the field and their activities are certainly still needed.

WHAT OF THE FUTURE?

What is going to be the future of voluntary effort and voluntary charity? Will Homes established by voluntary effort have enough support in later years to keep going? These are all questions which are exercising people's minds, but they are part of the whole question of the place of voluntary effort and voluntary charity in our present age. I think that in spite of increased taxation, there will still for some years to come be people who are willing to support voluntary charity. In the immediate future, there may well be benefactors who will seek some outlet in their wills for charitable bequests which would have been given to voluntary hospitals if they had not been taken over by the State. It is the hope of the National Corporation for the Care of Old People that some of these benefactors will made donations or leave legacies to the Corporation.

Many of the Homes I have in mind are almost self-supporting so far as meeting the ordinary maintenance of the occupants is concerned, and any small balance can surely still be met in many areas by private charity. Whether in a few years' time, even this small amount of charitable help will no longer be available is a matter of conjecture. It seems to me that taking a long view it may be found ultimately that many of the Homes and hostels for old people now founded by private charity, and particularly those established by local old people's welfare committees and such bodies as the Women's Voluntary Services, as distinct from those established by the churches may perhaps have to be transferred to the administration of local authorities. This would be objectionable at the present time because county and county borough councils can only administer these Homes under poor law powers. This means that a person admitted to such a Home has to be treated legally as if admitted to a poor law institution, with the various disabilities attaching thereto. The only disability of importance in connection with old people's homes—and this is of great importance—is the fact that an old age pension is not payable under the present law to a person in a public assistance establishment unless he or she is there for medical or surgical treatment. In these establishments pocket money to a maximum of 2s. a week can only be paid. When, however, an old age pensioner is admitted to a Home administered by a voluntary body the pension is continued, and even a supplementary pension, out of which he can contribute towards the cost of his maintenance. As a matter of fact the general amenities which are provided for the residents of old people's homes administered by public assistance authorities are sometimes superior to those provided in some voluntary homes, but there is no doubt that many old age pensioners feel the loss of independence by having to forfeit their pension. This is a blot on the administration of public assistance which successive governments have been urged to remove for many years past, but there is every reason to hope that this disability will at last be removed when the contemplated National Assistance Bill becomes law, and then, in my opinion, there will be nothing to choose between the local authority homes and the voluntary homes as a class. The question as to whether one is better than the other will depend entirely on the nature of its administration, but, again, this depends on the body responsible for it, and still more, on the staff employed in the Home.

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English Administrative Tribunals and Their Reform¹

By J. F. GARNER, LL.M.

THE present article is an attempt to review the existing courts and authorities to which administrative questions are referred for decision at the present time in this country, to indicate some of the more obvious defects of the "system," and to outline by constructive proposals, how a comprehensive system of administrative courts could be set up in England at small cost to the Exchequer, and without losing the valued privileges given by the common law of England.

¹ Haldane Essay Competition—Second Place.

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Professor Dicey, in his famous "Introduction to the Law of the Constitution," stated that there was no separate system of administrative law in England, but that the Rule of Law took its place. The Rule of Law was used by Dicey to mean:—

- (1) The absolute supremacy of regular law as opposed to the arbitrary or discretionary power of the executive.
- (2) The equal subjection of all, including servants of the executive, to "the ordinary law of the land administered by the ordinary law courts."
- (3) The rights of individuals, as defined and enforced by the courts, are the source of the law of the Constitution, and are not derived from it; "the Constitution is the result of the ordinary law of the land."

As has been shown by Dr. Jennings ("The Law and the Constitution"), this was, even at the time it was written, far from being strictly accurate. Obviously, so far as "administrative law" means law relating to the administration, this country has and must have, administrative law; no modern State could exist without such a body of law. But in the sense that Dicey was using the term, it is substantially true that England has no body of administrative law enforced by a separate system of courts in accordance with a special code of procedure; as is the case in many continental countries. In fact England has no system at all; some administrative questions are decided by the various "ordinary" courts, others are settled by the executive authorities, and yet others come before ad hoc tribunals specially constituted for the class of case concerned. Appeals lie in some cases from the decisions of the Minister or the special tribunal, to the "ordinary" courts on points of law; in other cases appeals lie to specially appointed appellate tribunals; and in yet other cases there is no appeal. Some executive bodies and tribunals are subject to the control of the courts of law, by orders in the nature of the prerogative writs and the doctrine of ultra vires; others are exempted from that control, having been given wide powers by their enabling statute. It is now proposed to deal with these various organs of administrative law seriatim; this statement, however, is not intended to be complete, as it has been possible to mention only the more important cases.

(A) THE COURTS OF LAW

- (1) County Courts.—(a) Appeals to the county court under Part II of the Housing Act, 1936. These are appeals by persons aggrieved by reason of demolition or clearance orders, etc. (including orders for the demolition of obstructive buildings under Section 54; Section 55, Housing Act, 1936) made under this Part of this Act (Housing Act, 1936, Section 15). Appeals lie to the Court of Appeal (but not to the House of Lords) on a point of law. Appeals on other matters under the same Act, not of an intrinsically different nature (e.g., against the grounds alleged for the making of a clearance order; Section 26) lie in the first instance to the Minister of Health, and on yet other matters, to Quarter Sessions.
- (b) Under Section 60 of the Town and Country Planning Act, 1944, the county court has jurisdiction "to hear and determine any question arising on a claim for compensation, whether the claimant is a person" entitled under the Act; and the arbitrator may state a case on a point of law for the opinion of the county court. Appeals on other matters in the law of town and country planning are normally justiciable by the Minister.
- (c) The county court has jurisdiction in cases of river pollution under the Rivers Pollution Act, 1876, Section 10. Appeals lie in point of law, on the

merits, or in respect of the admission or rejection of any evidence, to the Court of Appeal; Section 11 of the same Act.

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(d) Under the Factories Act, 1937, the county court can modify agreements between the owner and the occupier of factory premises, in order that the occupier may be enabled to comply with the administrative provisions of the Act (Factories Act, 1937, Section 146). The other provisions of the Act are administered by the Minister of Health, and proceedings for enforcement can be taken in courts of summary jurisdiction.

(2) Petty Sessions.—These are the courts responsible for much of the actual enforcement of administrative law. Every statute and set of regulations made thereunder creates a new list of statutory offences in the event of the non-observance of its provisions, and these are normally justiciable before petty sessions. There is, however, no purely administrative work in such enforcement, as the case normally consists merely of proving the offence alleged in the terms of the relevant statute. The decision of the court is a judicial one, and appeals lie to quarter sessions or assizes in the normal manner of "a criminal cause or matter." Other work, however, falling within the scope of petty sessions is not so obviously judicial, but is essentially administrative in character. Thus:—

(a) Under the Highway Act, 1835, Sections 84, 85, it is the duty of two justices of the peace to view a proposed diversion or stopping up of an existing highway, and to certify as to its convenience or otherwise to quarter sessions. A similar jurisdiction for the discontinuance of unnecessary highways exists under Section 24 of the Highways and Locomotives (Amendment) Act, 1878.

(b) The justices of the peace in brewster sessions assembled have wide administrative powers under the Licensing (Consolidation) Act, 1910, of granting or withholding licences to sell intoxicating liquor.

(c) Under Sections 12 (1) and 13 (5) of the Town and Country Planning Act, 1932, petty sessions has jurisdiction over appeals by persons aggrieved by orders of the responsible authority under the Scheme which proposes to carry out works enforcing the Scheme, or by persons aggrieved by Orders regulating the design or external appearance of buildings. Appeals also lie to petty sessions against certain decisions of the responsible authority relating to advertisements (Section 47 (2) and (5), 1932 Act). Appeals lie from petty sessions on these matters to quarter sessions; Section 39, Town and Country Planning Act, 1932; similar provisions exist in the Town and Country Planning Act, 1947.

(d) Appeals lie to petty sessions against the decisions of an inspector relating to underground rooms and basement bakehouses under Sections 53 and 54 of the Factories Act, 1937.

(e) Appeals also lie to petty sessions against a notice of the intention of the highway authority to demolish buildings, etc., which it is alleged contravene restrictions imposed under the Restriction of Ribbon Development Act, 1935 (see Section 11 of that Act), and also by persons aggrieved by a decision of the local authority as to the provision of means of entrance and egress, etc., Section 17 (4).

(f) The owner of premises who is aggrieved by the proposals of a local authority to alter an existing drainage system may appeal to petty sessions under Section 42 (2) of the Public Health Act, 1936. The same court also has jurisdiction to determine questions as to the fairness of apportionment, etc., of expenses connected with public sewers under Section 24 (3), P.H.A., 1936.

(g) Appeals against refusals to grant or renew registrations of common lodging houses lie to petty sessions (Public Health Act, 1936, Section 239), but

PUBLIC ADMINISTRATION

appeals on similar grounds in respect of nursing homes lie to the Minister of Health (Section 192 (3), P.H.A., 1936).

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(3) Quarter Sessions.—The jurisdiction of the justices of the county in quarter sessions assembled in administrative matters dates from Tudor times, but has been mostly transferred to county councils under Section 3 of the Local Government Act, 1888. However, under Section 28 of the same Act (as amended) the county council can delegate back to quarter sessions certain powers, such as the granting of licences for the public performance of stage plays, or granting of licences for the purposes of the Cinematograph Act, 1909. In addition to these powers, appeals lie to quarter sessions from petty sessions on most of the matters considered under (2) supra, and there is a general power of appeal on questions arising under the Public Health Act, 1936, see Section 301 of that Act. Appeals lie in the first instance to quarter sessions at the suit of the party aggrieved, from the decision of a local or other administrative authority, in several cases, of which the following are examples:—

(a) Private improvement rates made under Section 213 of the Public Health Act, 1875.

(b) From any order, etc., or withholding of an order, etc., by a local authority made, granted or given under the Public Health Acts; Section 7, Public Health Acts Amendment Act, 1907.

(c) Persons aggrieved by regulations, etc., made under the Food and Drugs Act, 1938 (Section 88 of that Act).

(d) Appeals against a distress for rates after levy has been effected; Poor Relief Act, 1743, Section 7.

(e) Appeals by persons aggrieved by the decisions of assessment committees; Section 31, Rating and Valuation Act, 1925.

- (4) The High Court.—The High Court has a considerable original jurisdiction of an administrative nature, and in addition there may be brought before the court by way of case stated, any question of law arising on the decision of quarter sessions. The original administrative jurisdiction of the Court includes the following:—
- (a) Appeals lie at the suit of any person aggrieved by an order of a town council regarding the administration of the general rate fund of the borough (Section 187, Local Government Act, 1933—for a similar provision in counties, see Section 184 of the same Act).

(b) Declarations as to casual vacancies on the councils of local authorities are also within the jurisdiction of the High Court; Sections 65, 67, Local Government Act, 1933.

(c) Appeals against a disallowance or surcharge of a district auditor lie to the High Court (if relating to an amount exceeding £500) exclusively, otherwise alternatively with the Minister of Health; Section 229, Local Government Act, 1933.

(d) Persons aggrieved by orders under the Housing Act, 1936, and the Town and Country Planning Act, 1947, may appeal to the High Court (subject to certain restrictions) by originating motion under R.S.C. Ord. 55B rr. 71-75.

(e) The High Court, by Section 39 of the Rating and Valuation Act. 1925, is given certain default powers in the event of there being danger of a valuation list being delayed beyond the statutory date fixed for its publication—this is at present in abeyance, by reason of the Rating (Postponement of Valuations) Acts, 1938 and 1940.

ENGLISH ADMINISTRATIVE TRIBUNALS

(5) Court of Appeal.—Generally speaking, an appeal lies in accordance with the Rules of the Supreme Court, from a decision of the High Court to the Court of Appeal on a question of law. Appeals to the House of Lords from the Court of Appeal lie only in exceptional circumstances; see, e.g., Section 162 (3), Local Government Act, 1933, "except by leave of the Court of Appeal, no appeal shall lie to the House of Lords from a decision of the Court of Appeal in proceedings under this section."

(B) ADMINISTRATIVE BODIES

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Under this head there are two main classes to consider, namely, Ministers of the Crown acting either as judges in person, or through tribunals appointed by them, and tribunals specially appointed to adjudicate on specific questions; "ad hoc" tribunals.

- (1) Ministers of the Crown.—Appeals lie to the appropriate Minister from the decisions of local authorities and other administrative bodies under many statutes and on many different subjects. Amongst these may be mentioned:—
- (a) The Acquisition of Land (Authorisation Procedure) Act, 1946, and the Housing Act, 1936; whereby orders for the compulsory purchase of land or for demolition or creating a clearance area, etc., made by a local authority, may be called into question before a local inquiry convened by the Minister of Health at the instance of any person aggrieved.
- (b) Some matters are within the "original" jurisdiction of the Minister. Thus, questions bearing upon the administration of the National Insurance Act, 1946, may be referred "for consultation and advice" to ad hoc local committees, but the determination of such questions (which determination it is provided shall be final) is to be by the Minister of National Insurance or some person or tribunal appointed or constituted by him (see Sections 42, 43 of the Act).
- (c) Appeal lies to the Minister of Health against the refusal of a local authority with or without conditions, to take trade effluent into its sewers, under the Public Health (Drainage of Trade Premises) Act, 1937.
- (d) In certain circumstances appeals lie to the Minister concerned personally wherein he alone is the judge. This is the case, for example, with appeals from decisions of the Traffic Commissioners, which lie to the Minister of Transport; Section 81, Road Traffic Act, 1930.
- (2) Ad hoc Tribunals.—In modern law specialised tribunals are very common in all branches of the administration, and these take many forms and follow differing procedures. The following are a few examples of the circumstances in which appeals will lie to such tribunals:—
- (a) Claims to be registered as conscientious objectors under the National Service Acts, 1939-1947, and claims for deferment of "call-up" under the same Acts on grounds of hardship.
- (b) Claims for reinstatement in employment on release from National Service, made to local "reinstatement tribunals" constituted under the Reinstatement in Civil Employment Act, 1944.
- (c) Appeals may be made by taxpayers to the General or Special Income Tax Commissioners, under the Income Tax Acts.
- (d) Under the Furnished Houses (Rent Control) Act, 1946, tribunals have been constituted by the Minister of Health to hear and determine questions affecting the rents of furnished premises.

(e) Claims for compensation in respect of property requisitioned by or on behalf of the Crown under the Defence Regulations, 1939, may be made to the General Claims Tribunal.

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It is pointed out in a note at p. 20 of volume 61 of the Law Quarterly Review that, although the decision of the General Claims Tribunal in Gibson v. Minister of Health, on the amount of compensation payable in respect of property falling within the Rent Restriction Acts, is of first importance to the owners of requisitioned houses, yet because this was a decision of an administrative tribunal, the law reports ignored it and the case was reported only in the Estates Gazette (see also 60 L.Q.R. 125).

The legislation of the present Government has given many examples of ad hoc tribunals. The procedure followed by the constituent statute seems generally to be:—

- (a) Original jurisdiction is vested in a local officer of the appropriate Ministry—e.g., the Pensions Officer of the Ministry of National Insurance.
- (b) Appeal first lies at the suit of a person aggrieved to a special local committee or tribunal, variously constituted; e.g., local appeal tribunals under Section 36 of the National Insurance (Industrial Injuries) Act, 1946.
- (c) Final appeal lies to the appropriate Minister or some person or body variously constituted appointed by him, e.g., the National Insurance Commissioner and Deputy Commissioners, appointed by the Minister of National Insurance under Section 43 of the National Insurance Act, 1946.

Ad hoc tribunals in general all follow the same pattern, and the following common features can be observed:—

- (a) Sometimes, but not invariably, an appeal lies to the High Court on a point of law arising on the decision of the tribunal. Thus, such appeal lies under Section 43 of the National Insurance Act, 1946, but not under the juristically similar provision of Section 5 of the Family Allowances Act, 1945.
- (b) The procedure of the tribunal is normally provided for by the regulations of the Minister concerned. In this connection, a clause in Section 43 of the National Insurance Act, 1946, is interesting:—
 - "It is hereby declared that the power to prescribe procedure includes power to make provision as to the representation of one person, at any hearing of a case, by another person, whether having professional qualifications or not."
- (c) Invariably no provision is made for the giving of reasons for their decision by the tribunals, even in cases where no appeal is permitted. There is in consequence no system of reports of these decisions, although some of the more important cases decided by, for example, the General Claims Tribunal, are reported in the non-legal press.
- (d) These tribunals are subject to a certain amount of judicial control from the "ordinary" courts, as:—
 - (i) The principles of "natural justice" must be observed; and
 - (ii) The decision must not be *ultra vires* the tribunal, as defined in its constituent statute. This frequently does not amount to much in practice, owing to the wider drafting of many modern statutes; see, e.g., Dr. Allen's comments on this subject in ch. 7 of his book "Law and Orders."
- (e) It is, moreover, occasionally provided that the decisions of the tribunal are to be final. Thus, on an application for an order of certiorari to quash the

ENGLISH ADMINISTRATIVE TRIBUNALS

decision of a rent tribunal under the Furnished Houses (Rent Control) Act, 1946, it was held that the Court had no power to do more than decide whether or not the tribunal had exceeded its jurisdiction: R. v. Paddington Rent Tribunal [1947] W.N. 103.

The question of the rights of appeal of a person aggrieved by the decision of an administrative tribunal or other authority was argued in some detail in the House of Commons in the debate on the National Health Service Bill (see Hansard No. 25 for 19th-25th July, 1946, col. 1983, et seq.). It was argued by the Opposition that the appeal of a doctor removed from the list by a local committee should lie to the High Court rather than to the Minister of Health. In reply, the Minister of Health (Mr. Bevan) said, "How can a judge of the High Court better decide than the executive council whether a doctor has been an efficient servant of the service? How can he decide that? What particular merit has a High Court Judge over these persons with all their experience?" These rhetorical questions Mr. Bevan left unanswered, not commenting on the great importance to a nation respecting democratic values, of the regularity of the procedure of a court of law, the publication of the findings of the court, the degree of certainty given by the doctrine of precedent to judgments, and the publicity afforded by the reporting of judgments. The emphasis of H.M. Government's criticism of the courts of law was on their lack of experience of administrative matters. A little later in the debate Mr. Bevan (see col. 1985 of Hansard) said, "Why should not the miners have an appeal to a High Court Judge?" [Why not, indeed?] "that is what I said upstairs when I talked about the judicial sabotage of Socialist legislation, and it is exactly what I meant. In other words the courts of the land would become industrial tribunals arbitrating between employers and employees." The writer of the present essay cannot share the horror of the Rt. Hon. gentleman of the idea that the industrial tribunals of the land should become part of the regular hierarchy of the courts of law. Partiality has never been alleged against our judges, and they should be less liable to bias in their decisions than many executive officials, detailed to adjudicate in disputes where their own department is a litigant. Provided the judges of administrative courts are reasonably well acquainted with the subject-matter brought before them, it seems desirable that they should be subjected to the same rules of procedure and publicity as are the ordinary courts.

PROPOSED REFORMS

It is very difficult to define the boundary between matters appertaining to the judiciary and the administration respectively. Of the many solutions hitherto offered to this problem the best is that of Dr. W. A. Robson. In "Justice and Administrative Law" at p. 12, he states that a judicial function is one having as its primary characteristics "the power to hear and determine a controversy, and the power to make a binding decision which may affect the person or property or other rights of the parties involved in the dispute," on the other hand, administrative functions "consist of those activities which are directed towards the regulation and supervision of public affairs and the initiation and maintenance of the public services." Following this classification, it is submitted that all judicial functions should be entrusted to courts constituted as mentioned below, and administrative functions should be left to the existing executive authorities. By this means a unified legal system capable of giving substantial justice in cases of an administrative nature would be established.

The basis of this structure to be set up by Parliament should be "district administrative courts" which should have a similar jurisdiction to that of the

existing county courts, on administrative matters. Appeals should lie from these courts to a Court of Administrative Appeals on a point of law, and in special circumstances only, a further appeal should lie from thence to the House of Lords. It is now proposed to consider these courts in detail.

(A) THE DISTRICT ADMINISTRATIVE COURTS

- (1) Jurisdiction.—These courts should have territorial jurisdiction codeterminate with that of the existing county courts, and they should have circuits co-terminous with the existing county court circuits. They would have original jurisdiction in all matters of an administrative nature, replacing the existing administrative jurisdiction of quarter sessions, petty sessions, county courts, and all the ad hoc tribunals above discussed. Existing cases of appeals to the appropriate Ministers should also be discontinued in all circumstances where any question of law or one involving a judicial determination is required, such matters being referred to the district courts. The only matters that would remain to be decided by the respective Ministers, their officials and local authorities, would be questions of policy. The borderline of the district courts' jurisdiction should not be difficult to define, provided matters within their jurisdiction were enumerated in the constituent statute, and a provision were inserted to the effect that the district courts themselves should decide questions of the extent of their own jurisdiction.
- (2) Constitution.—The courts should be staffed by a single judge, who should be a barrister of at least ten years' standing selected for his specialised administrative experience. He should be paid the same salary and have the same standing as a county court judge. In certain cases provision should be made for two or four assessors, having special knowledge, to sit with him. This would especially apply in labour disputes, tax cases and pensions appeals. The chief officer of the court should be a registrar, on the same conditions of service as the county court registrar, and in country districts the two offices could be held by the same individual.
- (3) Procedure.—It is essential that the procedure of the court should be as simple as possible, whilst yet retaining the essential uniformity of a court of law. Proceedings might be commenced by a simplified form of precipe, stating merely the names of the parties, the address of the court, the statute under which process is served and the substance of the plaintiff's case, in non-technical terms. While solicitors should also have a right of audience, the right of the litigant to appear in person should be emphasised, and the court should also be bound to hear trade union and other representatives, government officials, etc., appearing on behalf of the parties. Counsel should only be permitted on the certificate of the judge in a peculiarly difficult case. Rules of Court should be drafted similar to, but simpler than, the existing County Court Rules and the rules as to costs and poor persons procedure applicable to county courts should apply also to the district courts.

(B) THE COURT OF ADMINISTRATIVE APPEALS

(1) Jurisdiction.—Appeals on points of law should lie to the Court of Administrative Appeals from the district courts, but on questions of fact the decisions of the district courts should be final. The Court of Administrative Appeals should also have original jurisdiction on those matters of administrative law where the High Court at present exercises original jurisdiction (e.g., appeals from the surcharge of a district auditor under the Local Government Act, 1933). On all these matters the decisions of the Court of Administrative Appeals should be final except in those cases where the Attorney-General is prepared to issue

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ENGLISH ADMINISTRATIVE TRIBUNALS

his certificate to the effect that the case involves a point of law of exceptional public importance and that it is desirable in the public interest that a further appeal should be brought. In such cases, and in such cases only, appeal should lie to the House of Lords (cf. appeals under the Criminal Appeal Act, 1907).

- (2) Constitution.—The Court of Administrative Appeals should become a part of the Supreme Court of Judicature, and should have a standing equivalent to the existing Court of Appeal. It should be staffed by three or any greater uneven number of judges of the King's Bench Division, this Division being augmented by judges having special administrative experience to deal with the business of the Court.
- (3) Procedure.—Special Rules of Court should be drafted providing for the procedure of the Court, following as nearly as possible those of the Court of Appeal. The general principles to be followed by the Court in hearing appeals should be governed by the following observations of Lord Reading, C.J., in R. v. Brighton Corporation (1916) 85 L.J. K.B. 1552, at p. 1555, "The Court ought to be very slow in interfering with the decisions of local authorities, and this Court has always taken the view that, assuming the local authority has come to a decision on the merits of the case, without taking into account or being influenced by matters outside their proper sphere of consideration, this Court should not interfere, notwithstanding that it might have arrived at a totally different conclusion."

(C) ADVANTAGES OF THE ABOVE PROPOSED REFORMS

- (1) Uniformity.—To the practitioner, and the layman, it would be a great simplification if all administrative matters were decided by the same Court. The court building, the procedure of the court and the extent of its jurisdiction (no mean practical problems in the present diversity of ad hoc bodies) would soon become familiar. By placing the district courts in the same towns as the county courts, savings in court officials and buildings could readily be effected.
- (2) Financial.—The staffing of the new courts may be expected to effect a saving to the Exchequer as compared with the existing multiform tribunals. In many cases district court procedure would also be cheaper to the litigant than is the existing system. This factor is closely linked with the popularity of a court with the public. The existing county courts, mainly on the financial score, are becoming increasingly popular, as was recently evidenced at a meeting of the Associated Law Societies of Wales, when their President stated that the time had come for considerably increasing the jurisdiction of county courts in all classes of action (see Law Society's Gazette for September, 1946, p. 185).
- (3) Experience of Judges.—The district court judges will be persons trained to apply the principles of law, and yet having considerable knowledge of the administrative detail coming before them. If expert knowledge should be lacking in the judge, this would not necessarily prevent him doing substantial justice; as Dr. Allen says ("Law and Orders," p. 169), "it is not always true that expert knowledge and judicial faculty go hand in hand and they are sometimes actually antagonistic to each other."
- (4) Justice according to Law.—A body of case law for the guidance of district courts would soon be created by the Court of Administrative Appeals, and the decisions of all administrative courts being "raisonnés," a degree of certainty would thereby soon be established. Sittings of the courts would be public, and Lord Hewart's famous dictum that "it is more important that justice should seem to be done than that justice should be done" would become equally

true of administrative procedure as it is to-day of the "ordinary" courts of law. The judge of the district court would not be in the invidious position of the civil servant who is a representative of the responsible Minister and thus virtually judge in his own cause. There would be no danger of an administrative judge coming to a decision without fully hearing both sides in the case, as is, unfortunately, only too often true with existing tribunals (see e.g., re Mowsley's C.P.O. (1946) L.J. Newsp., p. 261, a case under the Housing Acts). It has been held that an administrative authority may not act on evidence received ex parte (e.g., Errington v. Minister of Health [1935] 1 K.B. 249), but at the present time it is not always clear when this rule has been infringed, as was evidenced in the recent Stevenage case. The general principles which should be followed by an administrative tribunal were restated in R. v. City of Westminster A.C. [1940] 4 All E.R. 132; "the [assessment] committee, while it should hear all relevant evidence and argument in a judicial spirit, must in the end exercise its own judgment according to its own conscience." This, it is submitted, the proposed new courts, with their lawyer judges assisted by lay assessors, should be specially capable of doing. The new courts, by being incorporated in the judicial system, should attract to themselves a fair share of the existing public respect for the courts of law, and the "man in the street" would more willingly accept their decision, feeling he had had a fair trial, than he does many decisions of administrative tribunals at the present time.

The general principle that administrative courts should be governed by legal principles similar to those applicable to the "ordinary" courts, has been accepted in the U.S.A. in the (Federal) Administrative Procedure Act of 1946, on which there is an interesting article in the January, 1947, Law Quarterly Review, at p. 43. The importance of applying similar principles to England was emphasised by Professor Wade in his inaugural address to the University of Cambridge ("The Courts and the Administrative Process," March, 1947, Law Quarterly Review, at p. 164), where he said, "What is essential is that over and above the political doctrine of ministerial responsibility there shall be a standard of administrative process. The standard should be regulated by law, and safeguarded by a right of appeal to the court. As a minimum there must be guaranteed a fair hearing and full consideration of a complaint without bias in the judge".

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"That the fear of bureaucracy, in the sense of the rule of the official equipped with wide discretionary power, is still present to-day in the minds of many Englishmen is apparent," says Professor Wade in his (9th) edition of Dicey's "Introduction to the Law of the Constitution." The establishment of the courts proposed in this essay should do much to dispel that fear and to enable a standard of administrative process as above mentioned to be applied.

The Position of Regional and Local Authorities in relation to the Central Authority

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[Paper submitted by the Institute of Public Administration to the International Congress of Administrative Sciences.]

I.—What are the general principles of organisation of the local administration in your country?

Local administration in this country is organised on the basis of local selfgovernment within a legal framework which has been closely defined by Parliament, the superior elected body; local councils elected by the citizens, administer the powers and duties assigned to them by statute or at common law through their duly appointed officials. The central authority is made responsible by statute for the direction and supervision of local authorities in so far as the administration of certain services of a national character are concerned, such as police and education. This control by the central authority, which varies according to the importance of the service to the community as a whole and the degree of financial assistance afforded by the central authority, takes the form of inspection and consultation, and seeks to ensure that the services are administered according to the law and are of the required standard. Within this general direction and control local bodies are free to administer their services according to local requirements. They are responsible to their local electorates for the vigour and efficiency of their work as well as to the central government authority.

- (a) With the development of national community consciousness, the central authority has grown as its instrument, but local authorities, whether they be established at common law, by Royal Charter or by statute, have inherited and maintain the spirit of local responsibility. The central government recognises this and seeks to inspire satisfactory local administration rather than force it, although in regard to many services the power is given to exercise compulsion, especially with the threat to withhold government grant, a power which has only been exercised in one or two isolated instances over a long period of years.
- (b) There are no regional authorities in the sense of an intermediate authority between the central body and the local bodies responsible to the electorate. The local aggregation or communities are locally governed by authorities whose powers and duties vary according to their classification. The present authorities can be divided into the all-purpose authority—the county borough—covering the larger aggregations of urban population, many of ancient origin, such as cities and the large towns and the other authorities who are not completely autonomous for all local government services. In this latter category come the county councils who carry out the main and more important local services within their administrative areas which do not include any county

¹Replies to the questionnaire submitted by the East Midlands Regional Group of the Institute of Public Administration in conjunction with the Department of Economics and Social Studies of the University College, Nottingham.

boroughs, and the county districts, known as non-county boroughs, urban and rural districts, into which the county is divided and which administer the purely local services. The present classification, apart from urban and rural districts which as sanitary districts date at the earliest from 1831, owes its origin to early Saxon times, whence grew the authorities as we know them to-day and upon whom has gradually fallen the duty of administering the very complex though efficient system of local government.

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(c) All administrative bodies have been given legal rights and duties, either by statute or by common law (or custom). Such bodies are protected and controlled at law by the judicial courts. Some statutes provide for the protection and control of local authorities to be vested in a Minister of the Crown in regard to a service for which his department of the central authority is responsible. This development of the powers of Ministers has been quickened recently.

(d) Local authorities enjoyed a fair degree of liberty in the years 1930-35. In 1933 an important statute was passed, mainly consolidating, but to a certain extent amending, the law relating to the constitution and the general administrative powers and duties of local authorities.

II.—What have been the existing conditions of regional and local authorities in your country during the last ten to fifteen years?

(A) Political, economic and social climate. Its influence on local life.

(a) The two great social phenomena of power influence were (a) depression (economic) between the wars and (b) the war 1939-45. These have quickened the national conscience—we might say that the social conscience has to a great extent become "nationalised." This has generated a tendency towards a planned economy, a scheme of social security on the national plane. Labour Party has grown and taken over authority—in central government and very extensively in local government. Government certainly shows a solicitude for the masses to a greater extent than ever before; a gradual growth, accelerated in recent years.

(b) There are two or three national parties—with an admixture of independent groups. In local political life a strong reflection of national party policies. Labour is in ascendant in both. Local party supports through local government the national party's policy in Parliament.

No deliberate development of national control at expense of local control. There has been a general tendency towards improvement of all social services, and this, on the ground of efficiency, has led to a certain redistribution of responsibility—a tendency, quite naturally, towards national services rather than "regional." Some definite effort has been spent on developing local interest. The scheme of social administration is a complex of statutory and voluntary, national and local in both cases. We have persisted with our "compromise" policy in this as in all things.

(c) The war organisation has not produced regionalism: it was a purely decentralisation scheme—prepared in case of war disrupting communications. Civil Defence was a local responsibility although the central government reimbursed most of the cost. The National Fire Service was established to fight "war by fire" and took over this service from the local authorities. This is now going back to local authorities in a modified form: it is now organised so that all the country is covered by fewer and bigger organisations. Government departments have local or regional offices—but they do not constitute a hierarchy. The war organisation in this connection has gone.

- (B) What have been the causes of the strength or weakness of the regional or local authorities?
- (a) Tradition here is very strong—the democratic, self-government, tradition. Considerable apathy in local elections, though when anything very important arises interest rises. The nationalisation of services is removing many powers from local bodies. Political consciousness in general more developed recently and is developing, due to political education (work of political parties) and education in politics in the non-party sense.
- (b) The efficiency or inefficiency of local authorities has had no serious effect on the relations between central or local or the distribution of powers between them. The redistribution has been on non-party grounds. Local authorities are considered to do their work efficiently, but the smaller area is now considered a less efficient unit for many services under modern conditions.

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- (c) The redistribution of duties and powers between central and local authorities has been brought about largely on financial grounds—this is the refection of the "efficiency of service" factor. Larger areas naturally more efficient and economic for certain major services, e.g., education, hospital, police. Some areas had duties and desires beyond their local purses. State has developed a tendency to grant-aid according to means or needs of local areas. A "formula" is used weighted for different needs and responsibilities, and the basis of this formula is at present under revision with a view to grant being distributed more according to need and less according to actual expenditure. A Boundary Commission has been established by Parliament and is examining the areas of all local authorities in the country for the purpose of adjusting boundaries and reconsidering status of authorities with a view to establishing the most effective and convenient units of local government throughout the country.
- (d) No "challenge" of local by central or vice versa. Some services have been nationalised and in others the central government issues directions and suggestions—with the purpose of establishing a degree of uniformity where justice or conditions require this. No political domination pursued, directions are generally given with the object of raising the standards of local services.
- III.—How has the action of the central authority on the regional and local authorities been exercised in the course of the last ten or fifteen years, and how it is being exercised?
 - (A) Have the organisation and sphere of activity of the regional or local authorities been modified by the central authority?
- (a) (i) No new categories and none suppressed recently. The Boundary Commission referred to above is reviewing all local authority areas, and after local enquiries and the submission of evidence will decide, subject to Parliament's approval, whether any alterations are justified either in the area of the authorities or their status in the scheme of local administration, but at the same time Parliament has expressed its intention not to make any radical changes in the existing democratic system of local government. Some joint boards and joint committees have been appointed for specific purposes.
- (ii) No electoral changes except to make local franchise like national franchise—adult suffrage. Previous to 1945 the local government electors were the

occupiers of property and their wives—but since then all persons over 21 (other than aliens, lunatics, etc.) have power to vote at local elections.

(iii) A tendency towards unification of certain services, e.g., Education by 1944 Act—authorities are now county councils or county boroughs. A tendency to reduce numbers of some categories due to changes brought about by transport developments: localities themselves change.

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- (b) (i) A few changes in duties of local authorities, e.g., Education (see (a) above), National Fire Service (now to be administered by county and borough (instead of small authorities)). A new development in Town Planning: county councils and towns have a duty to prepare schemes which must be approved by Ministry of Town and Country Planning. The location of industry is now regulated also by the central government. On the whole there has been a greater integration of local and national services. Trunk roads, certain relief services, hospitals, transport have been or are being made national responsibilities.
- (ii) With the development of national services on grounds of efficiency there has, of course, been an increase of central government regulation in pursuit of uniform administration. The chief method has been by grants. Where grants are large their control is large. But local authorities still retain initiative in many services which can also express itself through promotion of private legislation.
 - (B) Have the means of action of the regional or local authorities been modified by the central authority?
- (a) Relative to Staff.—Whitley Councils being representative of local authorities and their employees were established in 1946 for administrative, professional and clerical staff. Attempts have been made to standardise local government pay and conditions. Suggestions have been made that staffs of local and central government might interchange for periods. All local government staffs are still independent, but a scheme of uniform salaries and conditions of service (known colloquially as the "Charter") has been prepared by the National Whitley Council and adopted by the majority of local authorities.
- (b) Relative to Executive Processes.—No change here. Central government has powers to take over executive authority in case of default but has only found this necessary in isolated cases, only one or two in a generation, and then only on one or two services. Government is nationalising certain services—including transport.
- (c) Relative to Financial Resources.—The main source of local government revenue is the local rate which is levied upon the occupiers of all real and lease-hold property on the basis of the annual rental value. These rates are collected by the authorities themselves and the central government has in the past allowed authorities complete freedom in the raising of their funds from this source. In the future it is proposed that the central authority shall control the valuation of all properties for local rating, a duty which has in the past devolved upon the local authorities themselves. As grants are henceforward to be based more upon the needs of the local authorities the central authorities wish to ensure that properties are fairly and uniformly valued over the whole country, but local authorities will still collect the rates. Central government is paying a larger share of costs and thereby encouraging development of services. There is a growth of services undertaken by central government, but it is not a process of central government encroachment.

- (C) What has been the evolution of the system of protection or of control of which the central authority disposes?
- (a) There has been no development of hierarchic control. There has been an increase in the number of actions susceptible to sanction of central government but this is not hierarchic control.
- (b) There is no administrative judge in our constitution, although Ministers of the Crown are now being given power to act as a kind of administrative judge in first instance in certain cases. Appeal against decision given hereon always lies to the judicial courts on points of law, however.
 - (c) See above—III (B) (c).

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The local authorities have been included in the scheme for controlling the issue of capital—as part of the national "planning" of the economy. The Ministry of Town and Country Planning has acquired powers of passing or rejecting plans (see III (A) (b) (i) and the central government controls the location of industry (see III (A) (b) (i).

(D) Extra-legal Means of Pressure of which Central Authority can Make Use.

On the administrative side there are none. There is no "spoils" system in central or local government. No political influence is brought to bear on civil or local government servants. Tradition strong against personal influence over servants. Officials serve loyally r e elected body, whichever political party they represent.

Recently Labour Party Ministers have addressed local government Councillors of their own party—which is a sign of the unification of national and local political party policy, but the policy is pursued by elected councillors in council and there is no question of improper interference with the officers who are permanent officers generally serving their lifetime in the local government service and are not appointed because of their political beliefs.

- IV.—How in your Country has the Defence of Local Authorities against the Central Authority been exercised in the Course of the last ten to fifteen years and How is it being Exercised?
 - (A) What are the Judicial Guarantees which Work in Favour of the Regional or Local Authorities?
- (a) There are no official spokesmen of the local authorities in Parliament, but every member of Parliament traditionally regards himself as the voice in Parliament of his constituency and their local government problems therefore become his concern. Many members of Parliament have held seats on the councils of local authorities, and there is a jealous regard even in Parliament for the rights and privileges of local authorities.
- (b) The House of Commons electoral divisions are territorial, but the territorial representation does not imply that the House of Commons and local authorities are inter-related, the parliamentary and local authority territories are often quite different. The House of Lords is not territorial: the members of this House do regard themselves, however, as guardians of their residential neighbours—and all other kinds of "neighbours" or associates.
- (c) The whole constitution is subject to the Rule of Law—the ordinary law of the land. There is no special administrative court.

(B) What are the Special Processes and the Factual Circumstances which Work in Favour of the Regional or Local Authorities?

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- (a) Local authorities, like individuals, vary in prestige, and when they speak they are listened to. The large aggregations naturally have greater status than small ones. Their influence is felt simply as an element in the great social process of "social thinking." Individuals of outstanding success in local government also have influence in this way. The experience of local authorities in administration is of great interest to the central government, and it certainly helps in legislation. Local authorities try various social experiments, and these are of interest and value to the whole body politic.
- (b) There is no constitutional inter-penetration of local and central government. We have two democracies—local and central. The House of Commons and the local councils are elected directly and independently of each other.
- (c) All the different types of local authorities have their National Associations: County Councils Association, Associations of Municipal Corporations, Urban and District Councils, Rural District Councils and Parish Councils. These are associates of the various Special Committees of the Councils—e.g., Education Committees, Library Committees, etc. There are ordinary associations of specific interest. They act as channels of communication, making it possible for central government to obtain a picture of the attitudes of local authorities towards legislation. It is not a matter of presenting a united front—though of course they do defend their members and act as spokesmen on interviews with Ministers, give evidence to Committees and Commissions, etc. Conflicting views amongst the groups of local authorities weakens their effect on the Government and the central departments on some matters.
- (d) Confident collaboration most certainly exists between central and local government staffs. They have their work and duties and relationships defined by law—and they perform their duties with ordinary normal confidence. The conception of division of labour, of responsible work, in the government of the country as a whole and in detail is held widely.

V.--Conclusion

The general conclusion concerning the relations between central and local authorities is that there is no sign of the development of a highly centralised government. As the national consciousness develops there will naturally develop an institutional expression of it, but our feelings are still towards freedom of the individual and freedom of the group. We respect individual personality and responsible claims, and we do likewise with the group personalities of towns and villages and counties. There is a reasonable stability in the relations between central and local government bodies. Local authorities suggest changes and central government authorities return the courtesy. The "two democracies" are very rarely at loggerheads: they have a traditional way of working together or independently according to the nature of the problem. "Aggressiveness is not entirely absent in the inter-relationship scheme, but it is not an outstanding feature.

The Boundary Commission, the location of industry control and Town and Country Planning Ministry are evidence of a planned economy and an orderly adjustment of social forces being regarded as desirable to some extent. The schemes for the equalising of rates and the principle of aid according to need of local authorities are further evidence of the coincidence of interests in a national

system. The larger local authorities in some cases would like to draw less assistance from the central government in order to retain greater freedom of action.

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Some local authorities suggest more block grant on the formula basis of need and less percentage grant or specific subsidy, while some suggest a small general block grant coupled with specific grants towards local services according to need of the particular service.

The group reporting this felt that behind this questionnaire there seems to be a conception of local government directed from and organised by a single central authority which is not found here: in this country we do not think so strongly of government with a single centre. In other words we have, in the main, fought for local democracy and self-government, and we seem likely to retain it, albeit in a modified form.

Local Government Service—Promotion Examination

THE Scheme of Conditions of Service, already summarised in the Spring, 1946, issue of this Journal, provides for much greater uniformity in the local government service, not only in wages and conditions but also in the wider aspects of classification, recruitment, promotion, etc. The basic division into which junior recruits will normally go is appropriately enough called the General Division. The Scheme provides that promotion out of this division shall not be made unless the officer concerned has passed a promotion examination or has secured the qualification of a recognised Professional Institute. A Local Government Examination Board was established in 1946, and the first fruits of its work has been the issue of the syllabus and regulations for the Promotion Examination.

The broad outline of the Promotion Examination is as follows. Each candidate will be required to attempt five papers each lasting three hours. There will be a compulsory paper in English and two compulsory papers covering the broad field of local and central government. As a fourth paper the candidate will have a choice of seven alternative general background subjects: Elements of Economics, Elements of Statistics, Elements of English Law, Social and Political Theory, Comparative Political Institutions, Social and Political History since 1830, Regional and Physical Geography. The fifth paper will enable the candidate to choose from a number of subjects, e.g. Local Government Finance, Education, Social Welfare, each covering a major field of local authority activity or alternatively to select another of the background subjects set forth above. The five papers must all be taken at one sitting of the examination and the candidate will be judged on his work as a whole. If he fails and wishes to try again all the five papers must again be attempted. The standard of the examination will approximate to that for a principal subject in the Higher School Certificate Examination. The first examination will be held in May, 1948.

The scheme follows closely the findings of the Hadow Committee on the Qualifications, Recruitment, Training and Promotion of Local Government Officers. Paragraph 125 of the Report of that Committee reads: "The chief

function of the non-technical examination for officers on the general grade should be to provide a broad and appropriate mental training. It should not be directed to knowledge of departmental work. At the same time, the subjects included in the examination should be related to administration. The study of government, properly undertaken, affords an excellent mental training, and it is clearly desirable that officers should acquire some knowledge of the background of administration." Paragraph 129 of the Report reads: "We should like to see for the general clerical grade an examination on the lines of the diplomas of public administration, but of a less advanced standard; a standard more suited to candidates whose school education ended with the school certificate, and who will be mainly, if not entirely, dependent on evening reading . . . We should, however, make it clear that we contemplate only one stage in this examination. Officers wishing to take a more advanced course should study for one of the existing diplomas or degrees."

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In the preface to the Examination Regulations the Board make two comments which, as they are of general interest, are reproduced here. Commenting on the fact that promotion out of the General Division will in future depend on (a) obtaining the Promotion Examination or its equivalent, and (b) evidence of the required personal qualities and of aptitude for administrative work, the preface says, "Though the examination is an important element, it is only part of the scheme of promotion. It will be essential also to consider the successful candidate's personal qualities, his zeal and general bearing, his ability to take responsibility, to handle staff, to think through an actual practical problem clearly. No written examination can successfully measure these personal qualities. A suitably devised examination can test a person's mental ability, his power to study and master a subject, the quickness of his wits, and something of his powers of marshalling the facts and presenting in a short space of time a balanced and reasoned answer to a question. But promotion will not as a matter of course follow success in the Promotion Examination. The candidates who pass the examination will form a pool of officials from which higher appointments can be made depending on the number of vacancies and the personal qualities of the individuals concerned."

The other important statement concerns the very general approach which characterises the examination and the fact that any paper in Group V (special subject) may be taken by anybody who has three years in the service, irrespective of the department in which he is employed. On these the preface says, "This last point is in accord with an important principle adopted in framing the examination. The growth of professional examining bodies, whilst it has brought many benefits to the local government service, has tended to require the junior entrant to specialise too early. Too high a degree of specialisation at too early an age brings an unnecessary rigidity into the local government service and reduces the possibility of inter-departmental transfers. The same danger would have arisen if the Promotion Examination had stressed the purely departmental subjects. By stressing the more general aspects of administration, not only will the examination be more suitable for testing the candidate's abilities, but it will also enable the local government service to be more flexible."

Notice to Subscribers

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The rate of annual subscription to this Journal has remained at 12s. 6d. per annum since 1930. The cost of printing and paper has increased considerably meantime in spite of the economies resulting from the new format under which the number of words per page has increased by some 30 per cent. It has accordingly been decided that the rate of subscription shall be One Pound per annum as from 1st January, 1948. Credit will be given as from that date in respect of the due proportion of any subscriptions already paid at the old rate, but adjustments in respect of the increased rate will be payable in due course unless notice is received before 1st January, 1948, that it is desired to discontinue the subscription as from 31st December, 1947.

Correspondence

Organisation Charts and Lists of Duties

Dear Sir,—May I congratulate the Organisation and Methods Division of the Treasury on the excellent article on this subject contributed to your Summer Number. It is most encouraging to find the Division beginning to live up to the first half of its title, though no doubt there are many members of the Service who still consider that its duties should be austerely limited to methods. It is one thing to advise a department as to alternative forms of addressing machine or stock record; it is another to point out that the make-up of the Permanent Under-Secretary's duties infringes almost every recognised principle of organisation known to students of management.

Yet, until it is accepted that organisation is a technical subject and that its problems should be dealt with as issues of principle, rather than in the twilight of opinions or personal idiosyncracies, improvements in method are likely to be short lived. The tone of every human institution is set from the top. If Sir Pontifex Poohbah, K.B.E., claims the right to disorganise his own work and that of the Department which has to suffer him on the basis of his own limited experience and individual preferences, there is really no reason why a Staff Officer in the Establishment Division should not be allowed to purchase any type of addressing machine which happens to strike his fancy.

There is, however, one technical point in the article in question on which I feel that there is some danger of bad practice developing in the construction of organisation charts within the Service.

In two places the article recommends the attempt to place "posts of the same or approximately equivalent rank on the same level in the chart." It regards the fact that this cannot be done as a disadvantage of the arrangement of posts of equal status in a section vertically, though "this style makes the maximum use of the space on the sheet." Long experience of designing organisation charts has convinced me that the attempt to include in them a diagrammatic

presentation of rank by putting all posts of the same rank on the same level, leads inevitably to cumbersome and ill-balanced design in any but the simplest charts. It militates against the proper grouping of like functions and responsibilities.

I was once shown a chart of a department while I was temporarily in the Service which spread itself longitudinally over eight sheets of foolscap. The information it contained could have been arranged far more effectively and neatly on two sheets, if the designer had not been struggling to get all persons of equal rank on the same level. As it was, it was not only clumsy but confusing.

The attempt to indicate rank graphically not only takes up much more space and handicaps designers in producing clear-cut and acceptable charts. It is fundamentally wrong in principle. An organisation chart is, as its title implies, intended to show lines of authority and responsibility, duties and relationships. It is not intended to show status, which in fact has nothing to do with organisation and can, in any event, be indicated by titles of rank. It makes no real difference from the standpoint of organisation whether a man holding a particular post is known as a sergeant-major or as a major-general. What does matter is that the lines of authority, the groupings of duties and the relationships shown on the chart should accord with sound principles of organisation. The chief value of organisation charts is that the attempt to present an existing arrangement clearly and graphically frequently reveals that these conditions do not exist. Indeed, if the organisation of a department when charted does not appear as a well-balanced "pattern" this is in itself an indication that it has weaknesses. To try to include rank in the presentation introduces a complicating and irrelevant factor and encourages that mental confusion between status and function which bedevils much of our thinking about organisation.

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7, Park Lane, London, W.1. 18th July, 1947.

SIR,—No one will disagree with Lt.-Col. Urwick's contention that an organisation chart should be as clear as possible, but his statement that rank has no place in a chart is open to argument.

The design of a chart will be influenced by the purpose for which it is drawn and the organisation to which it relates. The article is concerned with the charting of any organisation—good or bad—and the aim of a chart drawn for purposes of study is to produce as true a picture as possible of all the features of the organisation structure which have a bearing on its effective operation. Rank may be of little importance in some organisations, but it is a factor which is important in the Public Service, and a chart which ignores rank may be "clearcut and acceptable" in some circumstances, but in an organisation where rank is recognised it is doubtful if such a chart would be acceptable, and it might be clear-cut at the expense of being incomplete.

The inclusion of rank is not "fundamentally wrong in principle" because rank is an element in relationship. It may for expediency be kept out of the chart, but it must be taken into account in considering the relative importance attached to different functions; the levels at which co-ordination is effected on different questions; the extent to which work is effectively delegated, and the nature of the span of control of senior executives.

A "well-balanced pattern" is an indication of good organisation, but if the balanced design is obtained by the adoption of conventions which conceal relevant features of the organisation the picture of the organisation which is presented will be misleading and may obscure a lack of balance in the different "levels" in the organisation. It is but a short step from the exclusion of rank to a chart which shows only the grouping of functions. The safe way is to chart posts and relationships, and rank is one factor in the description of a post.

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Design for Rainhill

SIR,—May I be allowed to express the following comments on Miss Kate Liepmann's review of the above, contained in the last issue of the Institute Journal?

Miss Liepmann primarily complains that although the proposal comes within the framework of the Merseyside Plan, no data is given in my booklet relating to "surveying and planning the demographic, social and economic composition of the new town."

Surely it is apparent to those who have perused the booklet that same was written for the more ordinary Lancashire people who live or desire to live in Rainhill—and not as a technical treatise for speculating theoreticians concerned with anthropology or ethnology. I am more concerned with the fostering of local civic pride than with the fact that Harvard University and various Government departments abroad desire copies of my publications.

Moreover, when the Ministry Consultant (Mr. Longstreth Thompson) prepared the Merseyside Plan a great deal of statistical work had to be accomplished before he finally decided upon the precise amounts and positioning of the land areas required for urban and industrial expansion as shown on the Merseyside Plan. That plan was accepted in principle by all the local authorities concerned.

The next point of disagreement is on "the type of settlement which is to be developed." This difference of opinion probably emanates from the variance of background of the writer and the reviewer. Apart from the fact that my own experience has led from university to practical training of local government in several leading cities and towns throughout the country, there are two outstanding cases in this Merseyside region worthy of consideration—both situated on the fringe of Liverpool.

The adjoining small urban district of Huyton-with-Roby has, since 1931, grown from 5,000 to over 55,000 population. It is full of finely planned and well-laid-out housing estates—full of people—but sadly lacking in adequate central shopping, social, business and civic centre facilities. This almost criminal oversight is having—and will continue to have—grave deleterious effects upon the inhabitants. A place without a centre is a place without a soul.

The other case is that of Sir Lancelot Keay's famous Liverpool Speke housing estate for 22,000 persons—one-third of which is sited within the Whiston Rural District. Only quite recently an outcry arose from inhabitants on the estate because of the lack of those facilities which ordinary townspeople now demand as their right. The continued lack is simply due to the exigencies of the moment, and the completed Speke plan provides for new shops, offices, community centre, cinemas, open-air music garden, stadium, etc.

Miss Liepmann feels that "the independence of the new locality in matters of services of all kinds will be sapped by the pull of Liverpool and the other

larger towns nearby." I have just mentioned the extensive provisions to be made on the Speke estate, but may I also refer the reviewer to my previous booklet "Design for Halewood," wherein I stated:—"The metropolitan City of Liverpool possesses a certain high standard of cultural life in the expressive arts and sciences, which naturally exerts an exclusive influence over the sphere of the surrounding district of Merseyside. Modern methods of rapid transportation enable the many classes of people who live in this wider area to retain close touch with these particular social manifestations, which can be said to form a transcendental framework of higher civilised life in the region. This new town of Halewood will nevertheless be enabled to have its own separate personality. Apart from its possible good fellowship of community, it will be closer to the countryside and will contain open spaces of verdure, more fresh because of the prevailing less nocuous atmosphere of the country." The same remarks are applicable to Rainhill.

The sturdy independence of small communities, co-operating in harmony with their neighbours, is as vitally necessary to the true welfare of the country as is that of small nations to the peace of the world.

Finally, Miss Liepman's somewhat personal remarks in her fervour of county councils and county borough councils as against district councils rather conflicts with the words of the Minister at the recent Town and Country Planning Summer School—"It will always be necessary that the task of planning should be shared between county councils and district councils, and that in fact it should be a combined operation."

So far as the "Design for Rainhill" is concerned, the scheme was submitted to and received the whole-hearted approval of the Lancashire County Council prior to its recent publication.

WATSON GARBUTT,

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Engineer and Surveyor to the Whiston Rural District Council.

SIR,—Mr. Garbutt's letter suggests that our difference is largely one of emphasis. My review acknowledged the need for locating some schools, shops and other social facilities within each settlement, while Mr. Garbutt's quotation from his previous booklet recognises the integration of the smaller localites in the cultural life of the metropolitan region. This integration, however, extends to employment and shopping. I still feel, therefore, that in a case like that of Rainhill it is inconsistent and impracticable to provide for the full equipment of a self-contained town. Surely neighbourliness and local convenience must be planned within a township which will be part and parcel of Merseyside conurbation.

As to the share of district councils in the task of planning, their contribution should certainly be to ensure the retention of local colour in each part of the wider scheme. It is an intimate curvey of the existing village, its housing, work and leisure, and corresponding consideration of the kind of people who are to form the future township, whose conission in "Design for Rainhill" was regretted.

Bristol. KATE LIEPMANN.

Book Notes

The Constitution of Northern Ireland: Part III.

A Review of Operations under the Government of Ireland Act, 1920. SIR ARTHUR QUEKETT, K.C., LL.D. (His Majesty's Stationery Office.) 1946. 15s.

SIR ARTHUR QUEKETT, until his death in 1945, was official draftsman to the Northern Ireland legislature, and he himself played a large part in the development of the Constitution of Northern Ireland. The operations reviewed in this book are the Constitution in time of war; questions as to the validity of laws; instruments relating to the office of Governor; procedure in Northern Ireland on the demise of the Crown; the constitution of magisterial courts; the Civil Service of Northern Ireland; Administrative provisions; and the Northern Ireland (Miscellaneous Provisions) Act, 1945.

- "International Road Transport, Postal, Electricity and Miscellaneous Questions."
- By Brigadier-General Sir Osborne Mance, K.B.E., C.B., C.M.G., D.S.O. (Oxford, for the Royal Institute of International Affairs.) 1947. Pp. viii + 258.

THE penultimate volume of the series opens with an analysis of road transport on lines similar to those already followed in dealing with other forms of transport. Progress is described, future problems are indicated, and a suitable organisation for handling them suggested. The Postal section describes the working of the International Postal Union—perhaps the most successful of all World-Organisations. The section on the International Transmission of Electricity relates the technical agreements of the past to the possible political settlements of the future. Other questions discussed in the volume are: Statistics, Passports and Coordination.

Remembrancer of Local Land Charges.

(Society of Clerks of Urban District Councils.) 6s. 6d.

The second edition of this Remembrancer by Mr. A. H. Edwards (formerly Clerk and Solicitor of Herne Bay U.D.C.) and published through the Society of Clerks of Urban District Councils, is a handy and most necessary reference to the many problems arising in the registration of Local Land Charges. The edition has been revised so far as possible to January, 1946. New features include:—An introduction; an index to references; fuller notes on registrable and non-registrable items; chapters on Fees and Parcels, and Supplementary Enquiries; and a complete Index.

Nutrition in Industry.

(International Labour Office (Staples).) 1946. 6s.

THIS book is in three sections. Part I deals with Nutrition in Canadian Industry; Part II, with the War-time Food and Nutrition Programme for Industrial Workers in the United States; and Part III, with Industrial Canteens in Great Britain.

Nutritional Problems of Invalids, the Aged and Infirm.

Report of a Conference. (London Council of Social Service.) 1s.

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What is a Design Centre?

A description and explanation of its functions. (Council of Industrial Design.)

Pensions (Increase) Acts, 1944 and 1947.

Guide and Ready Referencer in the application of the Acts and Regulations to Local Authorities. (County Accountants' Society.) 2s. 3d.

Country Roads Board (Victoria, Australia).

Thirty-third Annual Report for year ended 30th June, 1946. 1s. 6d.

Families in Trouble.

By CHARLES G. TOMLINSON. (Gibbs, Barnforth & Co. (Luton).) 1941. 3s. 6d.

This Report is based on an investigation into the number of social problem families living in the borough of Luton and flows from the recognition of the fact that for some families the mere provision of social services is not enough: positive action must be taken to help certain people to help themselves. The extent of the problem is assessed at 1.5 families per 1,000 population, or one family in 200. This compares reasonably with previous surveys in Herefordshire (one problem family per 1,000 population) and Rotherham (three per 1,000 population).

Crime and Punishment.

By Rt. Hon. the Lord Templewood, G.C.S.I., G.B.E., LL.D., D.C.L. (Stevens and Sons, Ltd.) 2s. 6d.

FIRST Annual Lecture in Criminal Science delivered at Cambridge on 31st January, 1947.

Recent Council-Manager Developments and Directory of Council Manager Cities.

(International City Managers Association (Chicago).) April, 1947. \$1.

This factual summary surveys the adoptions and abandonments of the Councilmanager plan. It also surveys the city-manager profession under the headings of appointments, length of service, education of city-manager and—that delightful euphemism—"separations from the service." It is interesting to note that Cork, Dublin, Limerick and Waterford have adopted the plan; of 560 managers in service at the end of 1946, 174 hold engineering degrees; and the highest percentage of council-manager cities is 28.3 in the 50,000 to 100,000 population group.

1947 Supplement to Where Cities Get Their Money.

By A. M. HILLHOUSE. (Municipal Finance Officers Association (Chicago).) \$1.50.

"THE year 1946 was one of unusual activity in the municipal revenue field. The pot not only boiled but in some cases blew the lid off." Thus, the opening

sentence of this supplement, and the language seems justified for one finds: approximately 450 cities installed parking meters; New York City introduced a percentage levy on hotel room rentals; 17 more cities introduced a local cigarette tax—only the brave or foolish would propose to out-Dalton Dalton in this way over here; and Toledo and St. Louis adopted local income taxes. "One city lowered a tax."

An Inventory of Governmental Activities in the United States.

By CARL H. CHATTERS and MARJORIE LEONARD HOOVER. (Municipal Finance Officers Association.) 75 cents.

As the title suggests this is an inventory: and a cross under each of the heads of government shows which governmental units are concerned in each function. The list is a guide to the activities of government to-day (400 services are listed) and a corresponding inventory for this country would go some way to explaining the huge growth in the size of the public services. Some overlapping of functions are revealed, but the report points out that this is largely due to divided responsibilities and that duplication of effort is not considerable. "Where there is duplication the duplication has come from the top."

Reference Manual of Government Corporations as of June, 1945. Senate Document No. 86. 70th Congress. 1st Session.

INFORMATION is given under the following headings in respect of all government corporations in existence on 30th June, 1945. Organic Authority; Ownership organisation and management; purpose and scope of activities; finances; and accounting and auditing.

Municipal Book-Keeping and Accounts.

Editor: Henry Brown. Assistant Editor: James Deakins. (Butterworth & Co. (Publishers), Ltd., and Shaw and Sons, Ltd.) Second Edition, 1947. 35s.

THIS compendious volume of over 500 pages, rich with sub-headings and tables, wide margins and a fine index, is an enlarged edition of that which appeared in 1937. Two chapters, those concerned with education and housing, have been rewritten. Others have been revised and brought up to date. The result is a manual which must serve to keep many Treasurers on the right lines.

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Report of a Committee under Judge Gamon to consider the Adoption Laws. (National Council of Social Service.) 1s. 6d.

This Report is concerned with the arrangements for the adoption of children. The Committee consider the present code allows far too much laxity. One of the principal changes recommended is the replacement of these Acts by a single consolidating adoption act.

The Municipal Year Book, 1947.

Clarence E. Ridley and Orin F. Nolting, editors. (International City Managers' Association, 1313 East 60 Street, Chicago 37.) June, 1947. Pp. 550. \$8.50 if remittance accompanies order, otherwise \$9.

THE fourteenth edition of the American Municipal Year Book discusses the current problems of cities throughout the United States and gives facts and statistics on individual city activities and an analysis of trends by population groups.

The new sections in this edition reflect the changing emphasis in municipal activities and information is given on the management and finance of municipal hospitals and airports. Another section presents an analysis of the methods used by cities in charging areas outside the city for water and sewerage service. There are sections dealing with personnel, finance, and planning. Rates of pay for 14 selected municipal positions in 90 cities are given, while another table shows salaries of chief municipal officials by population groups with an analysis of trends over a period of years. This section also contains information on city employee organisations and the extent of employee strikes last year. The revenue section summarises data reported by more than 1,600 cities on non-property tax revenues and service charges, and the planning section shows types of improvements that estate developers are required to install before plans are approved.

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Most of the regular features of the Year Book have been retained and brought up to date, including the sections on municipal reports, typical utility bills, parking lots and parking meters, assessed valuations and tax rates, court decisions affecting cities, debt trends, directories of officials, model municipal ordinances, etc.

The Origin of the Monopoly of Broadcasting

The August, 1947, issue of *Economica* contains an article of special interest to students of government. Mr. R. H. Coase examines in considerable detail the various discussions which led to the establishment of the British Broadcasting Company. His main concern is to ascertain the reasons why a monopoly and not a competitive service was established. His conclusion is that the Post Office favoured a monopoly largely on administrative grounds, many peculiar to the circumstances of the time and the view that a monopoly in broadcasting was better for the listener came later.

International Organisation

Four issues per annum, \$1.25 a copy; annual subscription, \$3.50. (British Agents: Allen and Unwin.)

THE World Peace Foundation (of Massachusetts) have put students of international affairs and organisation very much in their debt by deciding to publish the journal International Organisation. Most of the space is devoted to a summary of the activities of all the many international organisations—United Nations, Specialised Agencies and others, including such bodies as the International Postal Union-and full reproduction or excerpts from the most important documents of these organisations. Space is also found for about three articles. Number 2 of Volume I, issued in June, 1947, contains an important contribution by Dr. A. Loveday to the theory of international administration. The article, entitled "An Unfortunate Decision," deals with the method of selecting members of certain advisory committees associated with the United Nations. He is strongly critical of the decision of the Economic and Social Council that all its advisory committees should be composed of government representatives-of persons therefore acting on government instructions-rather than of persons acting in their individual capacity. He shows clearly the many disadvantages likely to arise from this decision, and his comments, based on a long experience of international administration, deserve the attention of the countries concerned.

Reviews

János: The Story of a Doctor

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By John Plesch. (Victor Gollancz, Ltd.) 18s.

This is no ordinary autobiography. Properly to review the memoirs of a life as full as that of Professor Plesch—or János—would require the services of a number of people. Doctor, scientist, philosopher, artist, musician, man of the theatre, film and ballet, writer, politician, all would be needed to do it justice. Fortunately, for the purposes of this journal, the issue narrows. The portions of the book that most concern this journal are those which give us the reflections of the man himself—a man, born in Hungary, internationally outstanding as doctor and professor until he reaches the early fifties; meeting and working in close contact with most of the leading men and women in the European countries, not a few of them British; writer of many books on medicine, notably that on the circulation of the blood, published 1909; a man, moreover, who found himself in the company of those who by their own need and desire to live, and in his case to educate his children, in an atmosphere of freedom, forced to quit Germany. He came to London to find that freedom.

Avoiding, therefore, the fascinating fields that burgeon through threefourths of the book there remains a valuable study of the reactions of such a man to the habits and customs of this country, in particular in the fields of medicine and education. Arriving in England he wished to continue his practice of his profession. Leaving Berlin, where he was professor of medicine at the university, he left a country where a Commission existed whose task he tells us was to regulate the influx of non-German doctors. This commission had the right to permit any medical man to practice in Germany over the heads of the In England, on the other hand, reciprocity exists only between (surprisingly) England and Italy, and England and Japan, though the Archbishop of Canterbury also has the right to grant permission to any medical man to practise in this country provided he registers with the General Medical Lacking these qualifications Professor Plesch went through the necessary studies and examinations, and this experience forms a peculiarly interesting chapter. It is seldom, it may be supposed, that a man of such eminence has written so freely and fully on such a point. His examiners, young enough to be his pupils, did their duty he says with understanding and dignity, and he makes no secret of the fact that he learned a great deal from the experience, discovering his own past weaknesses as teacher and examiner and renewing his knowledge of the student's fears and apprehensions. He criticises the English examination system as being based too firmly on systematic categorisation and on knowledge by rote. Agreeing that examinations are a necessary evil he believes that memory plays too large a part in the equipment required of the student here. Mediocrities in his experience often have excellent memories, whilst brilliant men sometimes have poor ones. He suggests that if examinees were given opportunity to consult books both during written and oral examinations examiners would be helped to a decision as to whether the student was at home in his subject and capable of using his books intelligently. An important section of the book is given to contrasting medical practice in England and Europe; and whilst the whole book is written fearlessly the differing methods are stated with great mildness, particularly the British frankness in the expres-

sion of a grave diagnosis as against the generally more reassuring attitude adopted by the continental doctor. As a general medical conclusion he gives it as his opinion that it is much more important to discover, if possible, how the patient managed to live with this or that trouble as he undoubtedly did to the moment of his death. Such an investigation is, he believes, calculated to give some idea of what auxiliary forces the body can summon up to replace the activity of decrepit organs and thus provide a pointer to compensatory treatment. He decrepit organs and thus provide a pointer to compensatory treatment. also urges a fuller internationalisation of medicine and the interchange of teachers between countries as well as the sending of students abroad. Shortage of paper cripples notices of books which cover so wide a field as this one. Indeed, from the evidence of ruthless pruning which is plainly shown it is obvious that the book itself has suffered from the same handicap and that more has been left out than has been put in. Enough remains, however, to provide pointers to a life of amazing friendships, interests, and work. It is to be hoped that Professor Plesch will, later, fill in some of the gaps and write further memoirs with further accounts of the giant figures that stride so rapidly through his pages, and more of his own experiences, beliefs, and conclusions.

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Your Community

By JOANNA C. COLCORD. (Russell Sage Foundation, New York.) 1947. Pp. 263. \$1.50.

THE forword to the previous edition of this work pointed out that "Your Community" is the successor to an earlier work which had the explanatory, although somewhat ungainly, title "What Social Workers should know about their Own Communities." This new edition of Miss Colcord's work has been revised by Donald S. Howard, Director of the Department of Social Work Administration, Russell Sage Foundation.

The book itself is an outline of suggestions for groups of persons who want to get a rounded picture of their own community, and especially as to the provision made to conserve health and safety and to promote the education and general welfare of its inhabitants. In Britain, as in America, there is ample scope for those able and willing to undertake, over a given area, objective surveys of the Social Services both statutory and voluntary. Such survey work is indeed an essential preliminary to improvements whether by way of strengthening interagency relationships, so that all existing resources are effectively harnessed to those who need them, or in order to ascertain what gaps exist with a view to their correction.

The reader of this book is assured that the persons kept principally in mind when the text was prepared were members of civic clubs, forums, women's associations, parent-teacher associations, or high school, college, and graduate students preparing for careers in the Health, Education, Safety and Welfare Services. As this work has been reprinted on nine occasions since 1939 and is now in its 26th thousand, it is evident from its reception in America that it has met a need. In Britain, Miss Colcord's book might inspire an exceptionally zealous, well-organised and highly resourceful group to undertake an enquiry into aspects of local community life. Nevertheless so detailed and searching are the "pointers" given that this book is likely to discourage most British groups of the type the author had in mind. This is unfortunate, for a great deal of useful, even if by American standards rudimentary, survey work could be done by civic societies, parent-teacher associations and the like groups in this country if guidance on how to set about the work were available in a relatively simple form.

Such guidance could perhaps best be given in a series of not too tedious pamphlets covering different facets of community life. The compilers of such a series of survey outlines would find much of value in this Russell Sage Foundation publication. For less specialised purposes Miss Colcord's painstaking work has a limited usefulness to British students.

F. MARCUS ARMAN.

Machines and Appliances in Government Offices

Published for H.M. Treasury, Organisation and Methods Division, by H.M. Stationery Office. 1947. Pp. 68. 5s.

THERE is a widespread belief, for which the popular press is largely responsible, that the office methods of the typical Whitehall Department leave much to be desired in comparison with those prevailing in the larger private undertakings. The extent of the employment of modern mechanical aids in the clerical work of the Civil Service is, indeed, little known outside the comparatively narrow circle of specialists in this art. With the major man-power problems now confronting the nation, and the familiar cyclical demands for reducing the number of "non-productive" bureaucrats, it is opportune that the Organisation and Methods Division of the Treasury should publish "an account of the machines and appliances in Government Offices in terms of the kind of work for which each is suitable." The purpose, it is stated, is not to provide an encyclopædia of office machinery, nor a ready-made solution to "any problem of mechanisation arising in a Government Office," but rather "to suggest possibilities of mechanisation in fields where it may not always be obvious that there is scope for it." It is evident from this paper that there is no type of modern office equipment of which use is not made in the Civil Service, from the highly elaborate punched card installation, of which there are now more than 50, involving 100,000,000 punched cards a year, to the humbler addressing machines of every description.

A criticism of office machines is that they facilitate too often the perpetuation of much useless clerical work, especially statistical, which, if performed by the old-fashioned hand methods, would frequently die a natural death as the pressure of work increases. The compilers of the present paper have this danger well in mind. The need for reviews of procedure before installing machines is strongly emphasised in the present publication. "Not all problems of office methods," it is said, "are to be solved by the installation of office machines. Mechanisation is sometimes advocated to relieve situations in which the real trouble comes from procedural refinements that have accumulated in the course of years. Methods may need to be pruned rather than mechanised." This is profoundly true, and it is probable that, in this aspect of Organisation and Methods, the Service is, in general, well ahead of much outside practice.

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But even the most efficient Organisation and Methods Divisions have not the authority to overcome what, to those outside the Civil Service, is its greatest organisational weakness, namely, the difficulty of getting anything done fairly quickly or, for that matter, giving a reasonably prompt answer to a simple question from the general public, when more than one Department of State is involved. The doctrine of the responsibility of Ministers for the conduct of the affairs of their own Departments and its corollary of Departmental autonomy largely accounts for the infuriating delays frequently associated with public administration. Is there no means of reconciling reasonable despatch in administration with the principle of departmental autonomy, which is an essential condition of democratic control? To attempt to discuss this is, of course, out-

side the scope of the present review, but high efficiency in the enlarged public services of to-day will never be secured until the problem is solved. Its solution is the more pressing with the advent of nationalisation as a main objective of public policy.

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Some Books on Local Government

"Your Local Authority," by Charles Barratt, originated from "informal talks to members of H.M. Forces . . . and in a subsequent series of public lectures and in tutorial classes for local government officers." If so Mr. Barratt's classes must have been fortunate in that their tutor thoroughly understands the value, and the limitation, of visual aids; the charts contained in this book are carefully planned and intelligible, yet free from the distortion of over-simplification.

After a lucid exposition of the working of local government Mr. Barratt faces the question of public apathy and considers various proposals for reform. He is a local government enthusiast, and he writes vigorously and feelingly about the "repeated filching of local government services without regard to the whole." This book should go some way towards creating more such enthusiasts. It is a pity, however, that on page 88 Mr. Barratt should refer to Assistance Boards, and thus add to the public confusion between the Assistance Board and

the popularly called Public Assistance Boards.

"The Councillors Handbook," by H. Townshend-Rose and Harry Page (Second Edition, Pitmans, 214 pp., 8s. 6d.), does not claim to be comprehensive, but nevertheless gives the councillor a very general introduction to local government. The authors are concerned to show how local government works, the three chapters on the organisation and finance of the local authority being particularly useful. This is one of the best introductory books not only for the councillor but also for the legion of students of local government law and administration. It could be improved by the addition of some hints for further reading. And why do writers on local government always choose such derogatory sounding names for their mythical towns in their examples? Usually it is Bumbleton or Little Puddleton—but the Blackacres of this book is almost equally calculated to give the dog a bad name.

In contrast to the two previous books, Mr. Jen's "Short Sketch of English Local Government Administration" (Stevens, pp. 57, 3s.) only skims the surface. The author writes very concisely, but, even so, it is clear that in 57 pages (which include a half or three-quarter blank page at the end of some 8 chapters) he does little more than give the simplest facts. And unlike the authors of the previous two books he shows little or no sign of direct experience of local government. It is not easy to see for whom the book is intended; if it is for law students, one can only wonder at how little they are expected to know of local government law and administration for their examination.

The two other books in this collection are primarily for the layman or intelligent citizen, and one supposes they come under the heading of public relations. Warrington, celebrating the centenary of their incorporation as a Borough, have published an interesting history of the town and of the development of its municipal activities. The booklet of 127 pages makes considerable use of illustrative material, though Part I, which deals with the history of the town up to 1847, shows a better and less hackneyed choice of photographs, drawings, etc. Among the interesting facts is the contrast between the size and

organisation of the council in 1847 and in 1947. In the former year it was composed of 9 aldermen and 27 councillors and had 8 committees. Now the number of aldermen and councillors remains the same but there are 21 principal committees. How little we know of the effect of this growth in the number of local activities on the work of the council and of the unpaid elected representative.

The "City's Finances," published by the Manchester City Treasurer's Department, is the best thing of its kind we have seen. The booklet tries to give a simple visual presentation of the main features of the city's finances and the purposes upon which the money raised in rates and grants are expended. It is produced in colours and makes great use of symbolic figures to explain such matters as the assets and liabilities of the council, the educational system, size of police force and its cost, the housing problem, growth of expenditure, etc. We were most excited by the two-page attempt to illustrate the financing of the city's capital expenditure, but it beat us in the end; perhaps we should have stuck to such simple illustrations as that showing the war-time increases in crime—though even here we were slightly puzzled that the symbols used were always men—are there no bad women in Manchester?

D. N. C.

The Reform of the Higher Civil Service

A Report by a Special Committee for the Fabian Society (Fabian Society and Victor Gollancz, Ltd.) 60 pp. 2s. 6d.

THIS report contains 58 specific recommendations and 16 general recommendations under the headings of recruitment; training; promotion; retirement; pensions; leave; morale and welfare; relationships between the administrative class and the professional, scientific and technical classes; organisation of departmental, extra-departmental and inter-departmental work; Parliamentary control, Question and Debate; Treasury Control; filling up of forms and public relations. It contains two appendices and a summary of recommendations—and all this in 60 pages. It is therefore not surprising that the case for reform is rather taken for granted.

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In so far as it becomes explicit, the case for an overhaul, for which the authors have little doubt the time is ripe, is that new tasks requiring the evolution of new techniques are being laid on the Civil Service—and the war-time temporaries are leaving. In this new phase of growing public ownership and extended control of industry, the economic health of the country will depend on the vitality of its bureaucracy. The function of the Civil Service is being extended to include overall planning and the control and guidance of some industries at a time when technological advance has made overall efficiency dependent on managerial efficiency. Public welfare is thus increasingly dependent on the civil servant's understanding of the public's problems. This case is reinforced by two criticisms of the Civil Service to-day: its slowness and its complicated and cumbersome apparatus of forms, specifications and blue prints. Finally, the precedents are invoked: there have been five major enquiries into the Civil Service in the last 90 years, and the latest was 18 years ago.

"The fact that we have in Britain what is probably the best Civil Service in the world, should not prevent us from asking how it may be improved." These are the opening words of the report, but there is surely a first question to be asked: what is wrong with it? How may it be improved is a question to which defects suggest answers. It is always true that now is the time for a major over-haul of the Civil Service; for either there is a crisis, in which event new techniques

need to be evolved to deal with new tasks, or there is no crisis and advantage must be taken of the pause to ensure that recent lessons have been learnt and applied. The general case for a review always exists. The special case is by no means made out.

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The chief criticism to be directed at this report is that it does not deal squarely with the problems of administration in a glut of shortages. Whereas pre-war the limiting factor was invariably funds, to-day it may be raw material, men, fuel and dollars as well, and the complexity of administration is made more intricate. Four or five departments may quickly become involved in a very small problem, as is shown by a relatively simple illustration from the social services. In 1942 the Assistance Board made extra payments for blankets and clothing to supplementary old age pensioners. Pre-war this would have been a problem of cost only, but now it would involve an increase in the inflationary pressure and the problem of available goods.

The Fabian Society recommendation for dealing with inter-departmental problems is to appoint Inter-departmental Joint Planning Staffs instead of Inter-departmental Committees, but this is essentially a planning device and would not materially hasten day-to-day consultation. It does, however, illustrate the way in which the authors draw on their experience of emergency administration during the war years. Some readers will feel that they draw too heavily on abnormal experience, but if delays are to be materially reduced, it may well be that certain techniques well developed in the other Services, where the time factor is vital, may have to be imported into the Civil Service, despite their

costliness in manpower.

The specific proposals for reducing delay include more modern office equipment, better typing and messenger facilities, premises within strolling distance, devolution, weekly staff meetings, and the compulsory application of O. and M. Everyone with experience of work within four official walls will endorse most of these recommendations. On the training side, proposals are also made which would ensure that the administrative class as a whole has experience in ex-Headquarters offices, local authorities, public corporations, private businesses and industry, overseas offices and inter-Service and Administrative Staff Colleges. These proposals are all designed to broaden the experience and outlook of the higher range of civil servants. Not the least important part of that wider experience will be the contact with office procedure and management outside the Civil Service, for in this respect the Administrative Class is often weak. outstanding characteristic of the Civil Service has been the passive character of its approach to problems of personnel and organisation. It has been content to pick the best men and leave it to them. There is indeed a strong case for requiring all new recruits to the Administrative Class to undergo a course in management, which would not be confined to Civil Service methods and procedures, so as to ensure that they have an acquaintance with a wide range of ideas about organisation and personnel management.

The purpose of the report is to make government work in conditions to-day.

The delay and procedures of the Civil Service-

"are profoundly disturbing alike to the general public and to those members of it who make up this group. The recent increase of government activity has increased these troubles, and we believe that unless they can be solved, there may be only two choices: to agree to less government activity, including planning; or to watch the economic life of the country gradually slow down. Neither alternatives is acceptable, and it is therefore essential that effective measures should be taken to improve the speed at which the Civil Service works, without reducing its efficiency."

With this purpose, a report concentrating on short-term remedies might have been expected, for it is clear that many recommendations cannot directly affect the immediate position. Valuable, therefore, as this report is, more real benefit might have been derived from 74 studies of proved delay and bad service, rather than 74 recommendations; such studies would be a clear pointer to whether the real problem is one of too little efficiency or too much government.

G. L

Municipal Health Services

By NORMAN WILSON, M.A., Dipl. P.A. (Geo. Allen and Unwin, Ltd.) 1946.
Pp. 178. 7s. 6d.

MR. WILSON writes on the health services not only academically, but with the background of many years spent as a field worker. His book covers with admirable lucidity the present health activities, actual and potential, of an all-purpose local authority. The word "potential" is not unimportant and gives the author scope for valuable observations on the reasons for the incomplete use of their powers by some authorities.

Part 1 of the book is devoted to a systematic description of the health and hospital, including Poor Law, services, of local authorities; Part 2 to a consideration of local and central administrative machinery; and Part 3 to other agencies providing medical services and to a thoughtful chapter on the need for an integrated service. Mr. Wilson clearly visualises that this integrated service can be most usefully provided through the medium of all-purpose local authorities, but his book was actually written before the proposals now embodied in the National Health Service Act, 1946, were made public. In that sense it marks the end of one epoch rather than the beginning of another. A postscript giving Mr. Wilson's thoughts on the new service, expressed with the clarity of his final chapter, would have made a valuable and stimulating addition to this excellent book.

J. A. SCOTT.

The Public Corporation in British Experience

by Sir ARTHUR STREET

(Deputy Chairman, National Coal Board)

has been published separately

2s. 8d. post free (2s. 0d. post free to Members) from the Institute

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